



EWEIN BERHAD
(Company No. 742890-W)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017
(The figures have not been audited)

	As at 30-Jun-2017 (Unaudited) RM'000	As at 31-Dec-2016 (Audited) RM'000
ASSETS		
Property, plant and equipment	14,418	14,855
Investment properties	82,100	82,100
Investment in an associate	132	114
Deferred tax assets	2,232	3,131
Total non-current assets	<u>98,882</u>	<u>100,200</u>
Inventories	5,926	6,141
Property development costs	167,154	159,839
Current tax assets	207	142
Trade and other receivables	65,958	81,758
Fixed deposit with licensed banks	16,596	14,312
Cash and cash equivalents	55,553	21,761
Total current assets	<u>311,394</u>	<u>283,953</u>
TOTAL ASSETS	<u>410,276</u>	<u>384,153</u>
EQUITY AND LIABILITIES		
Share capital	152,352	101,533
Reserves	42,699	39,846
Total equity attributable to shareholders of the Company	<u>195,051</u>	<u>141,379</u>
Non-controlling interests	12,299	9,350
Total equity	<u>207,350</u>	<u>150,729</u>
Long term borrowings	77,011	92,077
Other payables	32,951	47,078
Deferred tax liabilities	36	1,664
Total non-current liabilities	<u>109,998</u>	<u>140,819</u>
Loans and borrowings	54,144	53,092
Trade and other payables	37,169	38,605
Current tax liabilities	1,615	908
Total current liabilities	<u>92,928</u>	<u>92,605</u>
TOTAL LIABILITIES	<u>202,926</u>	<u>233,424</u>
TOTAL EQUITY AND LIABILITIES	<u>410,276</u>	<u>384,153</u>
Net Assets per ordinary share (RM)	<u>0.65</u>	<u>0.63</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



EWEIN BERHAD

(Company No. 742890-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30-Jun		30-Jun	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Revenue	24,469	29,437	47,228	49,680
Cost of goods sold	(15,596)	(17,395)	(30,829)	(27,160)
Gross profit	8,873	12,042	16,399	22,520
Other operating income	1,657	844	2,069	1,962
Distribution and administrative expenses	(4,002)	(3,522)	(6,095)	(7,238)
Finance costs	(447)	(707)	(531)	(1,325)
Share of result of associate	1	-	18	-
Profit before taxation	6,082	8,657	11,860	15,919
Tax expense	(1,642)	(2,441)	(3,260)	(4,128)
Profit for the period	4,440	6,216	8,600	11,791
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive Income for the period	4,440	6,216	8,600	11,791
Profit attributable to:				
Owners of the Company	3,119	3,750	5,651	7,924
Non-controlling interests	1,321	2,466	2,949	3,867
	4,440	6,216	8,600	11,791
Total comprehensive income attributable to:				
Owners of the Company	3,119	3,750	5,651	7,924
Non-controlling interests	1,321	2,466	2,949	3,867
	4,440	6,216	8,600	11,791
Basic earnings per share (sen)	1.15	1.70	2.08	3.58
Diluted earnings per share (sen)	1.15	1.70	2.08	3.58

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.



EWEIN BERHAD
 (Company No. 742890-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017
 (The figures have not been audited)

	Share capital RM'000	Share premium RM'000	Non- Distributable Reverse acquisition reserve RM'000	Non- Distributable Warrant reserve RM'000	Non- Distributable Revaluation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total equity RM'000
At 1 January 2017	101,533	1,290	(31,482)	21,919	3,800	44,319	141,379	9,350	150,729
Transition to no-par value regime	1,290	(1,290)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	5,651	5,651	2,949	8,600
Issue of ordinary shares	7,550	-	-	-	-	-	7,550	-	7,550
Exercise of warrants	41,979	-	-	-	-	-	41,979	-	41,979
Dividend	-	-	-	-	-	(1,508)	(1,508)	-	(1,508)
At 30 June 2017	<u>152,352</u>	<u>-</u>	<u>(31,482)</u>	<u>21,919</u>	<u>3,800</u>	<u>48,462</u>	<u>195,051</u>	<u>12,299</u>	<u>207,350</u>
At 1 January 2016	95,999	72	(31,482)	21,919	3,800	33,914	124,222	5,754	129,976
Total comprehensive income for the period	-	-	-	-	-	7,924	7,924	3,867	11,791
Exercise of warrants	5,145	1,132	-	-	-	-	6,277	-	6,277
At 30 June 2016	<u>101,144</u>	<u>1,204</u>	<u>(31,482)</u>	<u>21,919</u>	<u>3,800</u>	<u>41,838</u>	<u>138,423</u>	<u>9,621</u>	<u>148,044</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.



EWEIN BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017
(The figures have not been audited)

	6 Months ended 30 June	
	2017	2016
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	11,860	15,919
Adjustments for:		
Non-cash items	(1,242)	1,047
Non-operating items	(347)	(1,264)
Operating profit before working capital changes	10,271	15,702
Changes in working capital		
Net changes in current assets	24,898	30,978
Net changes in liabilities	(33,271)	(39,440)
Taxes paid	(3,345)	(1,905)
Net cash used in operating activities	(1,447)	5,335
CASH FLOW FROM INVESTING ACTIVITIES		
- Dividend Income	9	13
- Interest income	320	290
- Proceeds from disposal of plant and equipment	-	262
- Placement of short term deposits with licensed banks	-	(1,871)
- Purchase of property, plant and equipment	(462)	(279)
Net cash used in investing activities	(133)	(1,585)
CASH FLOW FROM FINANCING ACTIVITIES		
- Interest paid	(531)	(1,325)
- Repayment of finance lease obligations	(86)	-
- (Repayment)/Drawdown of term loans	(12,549)	102
- Proceeds from exercise of warrant	41,979	6,277
- Issuance of shares	7,550	-
Net cash from financing activities	36,363	5,054
Net change in cash and cash equivalents	34,783	8,804
Cash and cash equivalents at beginning	(12,353)	(12,268)
Cash and cash equivalents at end	22,430	(3,464)
<u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following:		
Cash and bank balances	55,553	16,646
Bank overdrafts	(49,719)	(37,995)
Fixed deposits with licensed banks	16,596	17,885
	22,430	(3,464)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.



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Notes to the Unaudited Interim Financial Report

1. Basis of preparation

The condensed consolidated interim financial information is unaudited and have been prepared in accordance with the applicable disclosure provisions of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Company and its subsidiaries (“the Group”) subsequent to 31 December 2016.

2. Significant accounting policies

The significant accounting policies applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2016 except for the adoption of the new and revised Malaysian Financial Reporting Standards (“MFRS”) with effect from 1 January 2017.

The Group plans to apply the following accounting standards, amendments and interpretations:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (2014)
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 4	Insurance Contracts- Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 128	Investment in Associates and Joint Ventures (Annual Improvement to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16	Leases
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Notes to the Unaudited Interim Financial Report

2. Significant accounting policies (Cont'd)

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

Amendments to MFRS 10
MFRS 128

Consolidated Financial Statements
Investments in Associates and Joint Ventures – Sale or
Contribution of Assets between an Investor and its
Associate or Joint Venture

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption other than MFRS 16, Leases which the Group is currently assessing the financial impact.

3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the year ended 31 December 2016 in their report dated 28 April 2017.

4. Seasonality or cyclical factors

The business of Ewein Group is not significantly affected by any seasonality or cyclical factors.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter and six months ended 30 June 2017.

6. Changes in estimates

There were no changes in estimates that had a material effect in the current quarter and six months ended 30 June 2017.

7. Debt and equity securities

During the financial period, there was issuance of 68,936,599 new ordinary shares during the six months ended 30 June 2017. All shares arising from exercise of warrants were at an exercise price of RM0.61 per ordinary share.

On 18 April 2017, the Company issued 10,000,000 new ordinary shares via a private placement to eligible investor for a total cash consideration of RM7,550,000.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter and six months ended 30 June 2017.

8. Dividend paid



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There was no dividend paid by the Company in the current quarter and period to date except for the single tier first and final dividend of half cent per share totaling RM1,507,926 in respect of the financial year ended 31 December 2016, paid on 18 August 2017.

9. Segment information

The following comprises the main business segments of the Group: -

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Property development and construction	11,792	16,259	22,702	30,279
Manufacturing	11,009	11,676	21,245	16,452
Investment holding, property management and letting	1,668	1,502	3,281	2,949
Total revenue	24,469	29,437	47,228	49,680
Segment Results				
Property development and construction	4,277	8,320	8,816	13,201
Manufacturing	389	24	733	281
Investment holding, property management and letting	1,728	1,398	2,522	3,472
Results excluding inter segment sales	6,394	9,742	12,071	16,954
Interest expense	(447)	(1,197)	(531)	(1,325)
Interest income	135	112	320	290
Profit before taxation	6,082	8,657	11,860	15,919
Taxation	(1,642)	(2,441)	(3,260)	(4,128)
Profit for the period	4,440	6,216	8,600	11,791



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Notes to the Unaudited Interim Financial Report

10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The valuation of land and buildings has been brought forward without amendment from the previous audited financial statements.

11. Other investment

There is no other investment involved by the Company except for investment in an associate company.

12. Events subsequent to the balance sheet date

There was no material event subsequent to the end of the current quarter except as below:

- i) On 22 August 2017, the Company intended to acquire 89% equity interest comprising 89 ordinary shares in Ewein Ecommerce Sdn. Bhd. for a total cash consideration of RM89.00.
- ii) On 22 August 2017, Ewein Zenith II Sdn. Bhd. (EZ II), a 60% owned subsidiary of the Company, and Consortium Zenith Construction Sdn. Bhd. (formerly known as Consortium Zenith BUCG Sdn. Bhd.) have entered into a Termination Agreement to mutually terminate, revoke and rescind the Sales & Purchase Agreement (“SPA”) entered by EZ II on 28 December 2015 and discharge each other from the rights, liabilities and obligation contained in the SPA subject to the terms and conditions in the Termination Agreement. The parties have mutually agreed to terminate the SPA because the land alienated is approximately 2 acres only which is a substantial reduction in the size of the subject land referred to in the SPA.

13. Changes in Group’s composition

There were no changes in the composition of the Group during the financial period ended 30 June 2017.

14. Changes in contingent liabilities and assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

15. Commitments

There were no material capital commitments or contingent assets as at 30 June 2017 to be disclosed as at the date of this report.



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Notes to the Unaudited Interim Financial Report

16. Review of performance (Cont'd)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Revenue	24,469	29,437	47,228	49,680
Profit before taxation	6,082	8,657	11,860	15,919

Comparison with previous year's corresponding quarter

Overall, the Group continues to maintain a healthy current ratio that measures the Group's ability to pay off its short-term liabilities with its current assets. The current ratio of the Group at 30 June 2017 and 31 December 2016 were 3.35 times and 3.07 times respectively.

The Group recorded revenue of RM24.47 million in Q2'2017 as compared to RM29.44 million in Q2'2016. The Group reported a pre-tax profit of RM6.08 million in Q2'2017 against pre-tax profit of RM8.66 million in Q2'2016 mainly due to various factors as explained in the respective operating segments as follows:

(i) Property development and construction

The revenue recorded in Q2'2017 was RM11.79 million as compared to RM16.26 million in Q2'2016. The pre-tax profit of RM4.28 million achieved in Q2'2017 was lower than RM8.32 million in Q2'2016. Property development and construction segment remained the main revenue and profit contributor of the Group.

(ii) Manufacturing

The revenue recorded in Q2'2017 was RM11.01 million as compared to RM11.68 million in Q2'2016. The pre-tax profit of RM0.39 million achieved in Q2'2017 was higher than RM0.02 million in Q2'2016. The increase in the pre-tax profit was mainly due to higher market demand for higher value added products in Q2'2017.

(iii) Investment holding, property management and letting

The revenue recorded in Q2'2017 was RM1.67 million as compared to RM1.50 million in Q2'2016. The rental income from Menara IJM Land secures recurring and stable income annually. Revenue contributions from this segment is expected to increase in the coming year.



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Notes to the Unaudited Interim Financial Report

16. Review of performance (Cont'd)

The pre-tax profit of RM1.73 million achieved in Q2'2017 was higher than RM1.40 million in Q2'2016 mainly due to higher tenancy take up rate and foreign currency exchange gains.

Comparison with previous year's corresponding year to date

The Group recorded revenue of RM47.23 million in the six months ended 30 June 2017 as compared to RM49.68 million in the six months ended 30 June 2016. The Group reported a pre-tax profit of RM11.86 million in the six months ended 30 June 2017 against pre-tax profit of RM15.92 million in the six months ended 30 June 2016 mainly due to various factors as explained in the respective operating segment as follows:

(i) Property development and construction

The revenue recorded in the six months ended 30 June 2017 was RM22.70 million as compared to RM30.28 million in the six months ended 30 June 2016. The pre-tax profit of RM8.82 million achieved in the six months ended 30 June 2017 was lower than RM13.20 million in the six months ended 30 June 2016.

(ii) Manufacturing

The revenue recorded in the six months ended 30 June 2017 was RM21.25 million as compared to RM16.45 million in the six months ended 30 June 2016. The pre-tax profit of RM0.73 million achieved in the six months ended 30 June 2017 was higher than RM0.28 million in the six months ended 30 June 2016. The increase in the pre-tax profit was mainly due to higher market demand for higher value added products.

(iii) Investment holding, property management and letting

The revenue recorded in the six months ended 30 June 2017 was RM3.28 million as compared to RM2.95 million in the six months ended 30 June 2016. The rental income from Menara IJM Land secures recurring and stable income annually. The pre-tax profit of RM2.52 million achieved in the six months ended 30 June 2017 was lower than RM3.47 million in the six months ended 30 June 2016 mainly due to the lower foreign currency exchange gains for the period under review as compared to the higher foreign currency exchange gains for the previous year's corresponding quarter.



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Notes to the Unaudited Interim Financial Report

17. Variation of results against preceding quarter

	3 Months Ended 30 June 2017 RM'000	3 Months Ended 31 March 2017 RM'000
Revenue	24,469	22,759
Profit before taxation	6,082	5,779

The Group recorded revenue of RM24.47 million in Q2'2017 as compared to RM22.76 million in Q1'2017. The Group reported a pre-tax profit of RM6.08 million in Q2'2017 against pre-tax profit of RM5.78 million in Q1'2017.

18. Prospects for 2017

The Group Prospects for the year 2017 as explained in the respective operating segments as follows:

(i) Property development and construction

For the property development segment, the Board opines that the market condition is improving and therefore is cautiously optimistic of the performance of this segment for the remaining financial year.

(ii) Manufacturing

The prospect of the manufacturing segment remains positive due to the improving demand trend of the Electronics and Electrical industry.

(iii) Investment holding, property management and letting

The prospect of this segment remains positive due to the improving economy.

19. Variance between actual profit and forecast profit

This is not applicable as no profit forecast has been published.

20. Tax expense

	3 Months Ended 30 June 2017 RM '000	6 Months Ended 30 June 2017 RM '000
Current tax expense	1,642	3,260



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Notes to the Unaudited Interim Financial Report

21. Status of corporate proposals

There were no corporate proposals outstanding at the date of this report.

22. Borrowings

Ewein Group's borrowings as at 30 June 2017 are as follows:

	As at 30 June 2017 Secured RM '000	As at 31 December 2016 Secured RM '000
Current:		
– Bank overdraft	49,719	48,426
– Term loans	4,324	4,545
– Finance lease obligations	101	121
	<u>54,144</u>	<u>53,092</u>
Non-current:		
– Term loans	76,806	91,804
– Finance lease obligations	205	273
Total	<u>77,011</u>	<u>92,077</u>
	As at 30 June 2017 Secured RM '000	As at 31 December 2016 Secured RM '000
Denominated in:		
Ringgit Malaysia	92,993	103,142
USD (Ringgit Malaysia equivalent)	38,162	42,027
	<u>131,155</u>	<u>145,169</u>

22. Material litigation

Ewein Group is not engaged in any material litigation for the current quarter and six months ended 30 June 2017.



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Notes to the Unaudited Interim Financial Report

23. Earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares.

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Profit attributable to owners of the Company (RM'000)	3,119	3,750	5,651	7,924
Weighted average number of ordinary shares in issue after taking into account the effect of Rights and Bonus shares ('000)	264,699	221,216	264,699	221,216
Weighted average number of ordinary shares in issue after taking into account the effect of Private Placement ('000)	7,068	-	7,068	-
Total weighted average number of ordinary shares	271,767	221,216	271,767	221,216
Basic earnings per share (sen)	1.15	1.70	2.08	3.58
Diluted earnings per share (sen)	1.15	1.70	2.08	3.58

The diluted earnings per share for the period ended 30 June 2017 is the same as the basic earnings per share as the effect of anti-dilutive potential shares is ignored in calculating diluted earnings per ordinary share in accordance with MFRS 133, *Earnings per Share*.

24. Profit before taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Profit before tax is arrived at after charging/(crediting):				
Interest income	(135)	(112)	(320)	(290)
Interest expense	447	1,197	531	1,325
Depreciation	212	513	899	1,047



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Notes to the Unaudited Interim Financial Report

25. Realised and unrealised retained earnings

	As at 30 June 2017 RM'000	As at 31 December 2016 RM'000
Total retained profits of Ewein Berhad and its subsidiaries:		
– Realised	35,797	33,528
– Unrealised	23,968	19,218
	<hr/> 59,765	<hr/> 52,746
Total share of retained earnings of associates		
– Realised	18	14
Less: Consolidated adjustments	(11,321)	(8,441)
	<hr/> <hr/> 48,462	<hr/> <hr/> 44,319

26. Authorisation for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board.

By Order of the Board

Chee Wai Hong (BC/C/1470)
Secretary

Date: 28 August 2017