

**WEIN BERHAD**

(Company No. 742890-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018**

(The figures have not been audited)

	As at 31-Mar-2018 (Unaudited) RM'000	As at 31-Dec-2017 (Audited) RM'000
<b>ASSETS</b>		
Property, plant and equipment	14,838	15,004
Investment properties	82,100	82,100
Investment in an associate	200	183
Deferred tax assets	4	4
<b>Total non-current assets</b>	<b>97,142</b>	<b>97,291</b>
Inventories	6,272	4,933
Property development costs	155,096	159,230
Current tax assets	1,229	65
Trade and other receivables	81,362	58,284
Fixed deposit with licensed banks	30,629	35,192
Cash and cash equivalents	34,622	42,512
<b>Total current assets</b>	<b>309,210</b>	<b>300,216</b>
<b>TOTAL ASSETS</b>	<b>406,352</b>	<b>397,507</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	152,423	152,423
Reserves	62,309	46,123
<b>Total equity attributable to shareholders of the Company</b>	<b>214,732</b>	<b>198,546</b>
Non-controlling interests	12,908	13,060
<b>Total equity</b>	<b>227,640</b>	<b>211,606</b>
Long term borrowings	41,366	46,748
Other payables	33,843	33,942
Deferred tax liabilities	1,614	1,519
<b>Total non-current liabilities</b>	<b>76,823</b>	<b>82,209</b>
Loans and borrowings	64,723	63,779
Trade and other payables	32,762	37,818
Current tax liabilities	4,404	2,095
<b>Total current liabilities</b>	<b>101,889</b>	<b>103,692</b>
<b>TOTAL LIABILITIES</b>	<b>178,712</b>	<b>185,901</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>406,352</b>	<b>397,507</b>
Net Assets per ordinary share (RM)	0.71	0.66

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



**WEIN BERHAD**  
**(Company No. 742890-W)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2018**  
**(The figures have not been audited)**

	INDIVIDUAL QUARTER 3 months ended 31-Mar			CUMULATIVE QUARTER 3 months ended 31-Mar		
	2018 RM'000	2017 RM'000	Changes (%)	2018 RM'000	2017 RM'000	Changes (%)
Revenue	56,455	22,759	148.06	56,455	22,759	148.06
Cost of goods sold	(30,162)	(15,233)	98.00	(30,162)	(15,233)	98.00
Gross profit	26,293	7,526		26,293	7,526	
Other operating income	1,080	415	160.24	1,080	415	160.24
Distribution and administrative expenses	(6,403)	(2,094)	205.78	(6,403)	(2,094)	205.78
Finance costs	(196)	(85)	130.59	(196)	(85)	130.59
Share of result of associate	17	17	nm	17	17	-
Profit before taxation	20,791	5,779	259.77	20,791	5,779	259.77
Tax expense	(4,627)	(1,618)	185.97	(4,627)	(1,618)	185.97
<b>Profit for the period</b>	<b>16,164</b>	<b>4,161</b>	<b>288.46</b>	<b>16,164</b>	<b>4,161</b>	<b>288.46</b>
<b>Other Comprehensive Income, net of tax</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
<b>Total Comprehensive Income for the period</b>	<b>16,164</b>	<b>4,161</b>	<b>288.46</b>	<b>16,164</b>	<b>4,161</b>	<b>288.46</b>
<b>Profit attributable to:</b>						
Owners of the Company	12,052	2,533		12,052	2,533	
Non-controlling interests	4,112	1,628		4,112	1,628	
	<b>16,164</b>	<b>4,161</b>		<b>16,164</b>	<b>4,161</b>	
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	12,052	2,533		12,052	2,533	
Non-controlling interests	4,112	1,628		4,112	1,628	
	<b>16,164</b>	<b>4,161</b>		<b>16,164</b>	<b>4,161</b>	
Basic earnings per share (sen)	4.00	1.11		4.00	1.11	
Diluted earnings per share (sen)	4.00	1.11		4.00	1.11	

\*nm= not meaningful

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying notes attached to the interim financial statements.



**EWEIN BERHAD**  
**(Company No. 742890-W)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2018**  
**(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 Interests RM'000	Total equity RM'000
At 1 January 2018	152,423	-	(31,482)	-	3,800	73,805	198,546	13,060	211,606
Total comprehensive income for the period	-	-	-	-	-	12,052	12,052	4,112	16,164
Changes in equity interest in a subsidiary	-	-	-	-	-	4,134	4,134	(4,264)	(130)
At 31 March 2018	152,423	-	(31,482)	-	3,800	89,991	214,732	12,908	227,640
At 1 January 2017	101,533	1,290	(31,482)	21,919	3,800	44,319	141,379	9,350	150,729
Total comprehensive income for the period	-	-	-	-	-	2,533	2,533	1,628	4,161
Exercise of warrants	3,680	797	-	-	-	-	4,477	-	4,477
At 31 March 2017	105,213	2,087	(31,482)	21,919	3,800	46,852	148,389	10,978	159,367

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying notes attached to the interim financial statements.



**EWEIN BERHAD**  
**(Company No. 742890-W)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2018**  
**(The figures have not been audited)**

	3 months ended 31 March 2018 RM'000	2017 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,791	5,779
Adjustments for:		
Non-cash items	(85)	687
Non-operating items	848	(118)
Operating profit before working capital changes	21,554	6,348
Changes in working capital		
Net changes in current assets	(20,283)	4,200
Net changes in liabilities	(5,156)	(14,117)
Taxes paid	(3,386)	(1,704)
Net cash used in operating activities	(7,271)	(5,273)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Interest income	281	186
- Placement of short term deposits with licensed banks	-	(14,312)
- Purchase of property, plant and equipment	(325)	(252)
Net cash used in investing activities	(44)	(14,378)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Interest paid	(196)	(85)
- Repayment of finance lease obligations	-	(87)
- Repayment of term loans	(5,825)	(2,545)
- Payment for acquisition non-controlling interest	(130)	-
- Proceeds from issuance of shares	-	-
- Proceeds from exercise of warrant	-	4,479
Net cash (used in)/generated from financing activities	(6,151)	1,762
Net change in cash and cash equivalents	(13,466)	(17,889)
Cash and cash equivalents at beginning of the period	33,056	1,960
Cash and cash equivalents at end of the period	19,590	(15,929)
<u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following:		
Cash and bank balances	18,557	20,979
Bank overdrafts	(45,661)	(52,287)
Fixed deposits with licensed banks	46,694	15,379
	19,590	(15,929)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2017.

### **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 2017 except for the adoption of the new and revised Malaysian Financial Reporting Standards (“MFRS”) with effect from 1 January 2018.

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 2019**

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 9	Financial Instruments – Prepayment Features with Negative Compensation
Amendments to MFRS 11	Joint Arrangements
Amendments to MFRS 112	(Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 123	Income Taxes
Amendments to MFRS 123	(Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 123	Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 128	Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures



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## **Notes to the Unaudited Interim Financial Report**

### **2. Significant accounting policies (Cont'd)**

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021**

MFRS 17 Insurance contracts

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

Amendments to MFRS 10	Consolidated Financial Statements
MFRS 128	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 2017 in their report dated 27 April 2018.

### **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 ended 31 March 2018.

### **6. Changes in estimates**

There were no changes in estimates that had a material effect in the current quarter ended 31 March 2018.

### **7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter ended 31 March 2018.



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**Notes to the Unaudited Interim Financial Report**

**8. Dividend paid**

There was no dividend paid by the Company in the current quarter and period to date.

**9. Segment information**

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

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 3 months ended</b>	
	<b>31 March 2018 RM'000</b>	<b>31 March 2017 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2017 RM'000</b>
<b>Segment Revenue</b>				
Property development	47,805	10,911	47,805	10,911
Manufacturing	6,958	10,237	6,958	10,237
Investment holding, property management and letting	1,677	1,611	1,677	1,611
Ecommerce	15	-	15	-
<b>Total revenue</b>	<b>56,455</b>	<b>22,759</b>	<b>56,455</b>	<b>22,759</b>
<b>Segment Results</b>				
Property development	19,734	4,538	19,734	4,538
Manufacturing	59	344	59	344
Investment holding, property management and letting	1,013	796	1,013	796
Ecommerce	(100)	-	(100)	-
<b>Profit before interest and taxation</b>	<b>20,706</b>	<b>5,678</b>	<b>20,706</b>	<b>5,678</b>
Interest expense	(196)	(85)	(196)	(85)
Interest income	281	186	281	186
<b>Profit before taxation</b>	<b>20,791</b>	<b>5,779</b>	<b>20,791</b>	<b>5,779</b>
Taxation	(4,627)	(1,618)	(4,627)	(1,618)
<b>Profit for the period</b>	<b>16,164</b>	<b>4,161</b>	<b>16,164</b>	<b>4,161</b>



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## **Notes to the Unaudited Interim Financial Report**

### **10. Group's financial performance review and segmental analysis**

#### **10.1 Overall review of group's financial performance**

Statement of financial position:

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 31 March 2018 and 31 December 2017 were 3.03 times and 2.90 times respectively.

#### **Comparison with previous year's corresponding quarter**

The Group recorded a revenue of RM56.46 million in Q1'2018 as compared to RM22.76 million in Q1'2017. The Group reported a profit before tax of RM20.79 million in Q1'2018 against profit before tax of RM5.78 million in Q1'2017 which was mainly contributed by property development segment.

#### **10.2 Segmental analysis**

#### **Comparison with previous year's corresponding quarter**

##### **(i) Property development**

The revenue recorded in Q1'2018 was RM47.81 million as compared to RM10.91 million in Q1'2017. The Group recorded a profit before interest and tax of RM19.73 million in Q1'2018 compared to RM4.54 million achieved in Q1'2017. The increase in revenue and profit was mainly due to the higher sales of properties and faster construction progress compared to last year.

##### **(ii) Manufacturing**

The revenue recorded in Q1'2018 was RM6.96 million as compared to RM10.24 million in Q1'2017. The profit before interest and tax of RM0.06 million achieved in Q1'2018 was lower than RM0.34 million achieved in Q1'2017. The decrease in the profit before interest and tax was mainly due to lower market demand on higher value-added products in Q1'2018.





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## **Notes to the Unaudited Interim Financial Report**

### **10. Group's financial performance review and segmental analysis (continued)**

#### **10.2 Segmental analysis**

##### **(iii) Investment holding, property management and letting**

The revenue recorded in Q1'2018 was RM1.68 million as compared to RM1.61 million in Q1'2017. The rental income from Menara IJM Land secures a recurring income annually.

The profit before interest and tax of RM1.01 million achieved in Q1'2018 was higher than RM0.8 million as reported in Q1'2017.

### **11. Variation of results against preceding quarter**

	<b>3 Months Ended 31 March 2018 RM'000</b>	<b>3 Months Ended 31 Dec 2017 RM'000</b>	<b>Changes %</b>
Revenue	56,455	17,485	222.88
Profit before interest and taxation	20,706	1,212	1,608.42
Profit before taxation	20,791	879	2,265.30
Profit/(Loss) after taxation	16,164	(1,845)	976.10

The Group recorded a revenue of RM56.46 million in Q1'2018 as compared to RM17.49 million in Q4'2017. The Group reported a profit before tax of RM20.79 million in Q1'2018 against pre-tax profit of RM0.88 million in Q4'2017. The increase in revenue and profit before tax was contributed from property development segment as higher properties sold and faster percentage of completion compared to preceding quarter.

### **12. 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.

### **13. Other investment**

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



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## **Notes to the Unaudited Interim Financial Report**

### **14. 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 4 April 2018, the Company incorporated a wholly-owned subsidiary, Pierfront Sdn Bhd in Malaysia with an issued and paid-up share capital of RM1.00 comprising of 1 ordinary share. The principal activity of Pierfront Sdn Bhd is property management and letting.
- (ii) On 2 May 2018, the Directors recommended a first and final single tier dividend of 0.50 sen per share in respect of the financial year ended 31 December 2017, subject to the approval of the Company's shareholders in the annual general meeting dated 28 May 2018.
- (iii) On 15 May 2018, the Company through its wholly-owned subsidiary, Ewein Land Sdn Bhd entered into a share sale agreement with Consortium Zenith Construction Sdn Bhd for the acquisition of 160,000 ordinary shares in Ewein Zenith Sdn Bhd ("EZSB"), representing 16% equity interest in EZSB, for a total cash consideration of RM160,000. EZSB will thereafter become a 89% owned subsidiary of the Company.

### **15. Changes in Group's composition**

On 5 January 2018, Ewein Land Sdn Bhd ("ELSB"), a subsidiary of the Company has entered into a Share Sale Agreement with Consortium Zenith Construction Sdn Bhd (formerly known as Consortium Zenith BUCG Sdn Bhd) ("CZC") to acquire 130,000 ordinary shares in Ewein Zenith Sdn Bhd ("EZSB"), a 60% owned subsidiary of ELSB representing 13% equity interest in EZSB, for a total cash consideration of RM130,000. Upon the completion of the acquisition, EZSB became a 73% owned subsidiary of ELSB.

There were no other changes in the composition of the Group during the financial period ended 31 March 2018.

### **16. Changes in contingent liabilities**

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

### **17. Commitments**

There were no material capital commitments as at 31 March 2018 to be disclosed as at the date of this report.



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**Notes to the Unaudited Interim Financial Report**

**18. Prospects for 2018**

The Group Prospects for the year 2018 as explained in the respective operating segments as follows:

(i) Property development

For the property development segment, the Board opines that the market condition is improving and therefore is cautiously optimistic on 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 improvement in take up rate of Menara IJM Land.

(iv) Ecommerce

This is new segment invested by the Group and is consistent with management's strategy to generate diversified sources of revenue from different sectors in helping the Group future performance.

**19. Variance between actual profit and forecast profit**

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

**20. Status of corporate proposals**

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



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**Notes to the Unaudited Interim Financial Report**

**21. Borrowings**

	As at 31 March 2018					As at 31 December 2017		
	Interest rate	Secured		Total	Interest rate	Secured		Total
		RM '000	RM '000	RM '000		RM '000	RM '000	RM '000
		USD	RM			USD	RM	
		denomination	denomination			denomination	denomination	
Current:								
Bank overdraft	6.90-8.35	-	45,661	45,661	6.90-8.35	-	44,649	44,649
Term loans	1.83-5.24	3,621	15,308	18,929	1.83-5.24	4,277	14,651	18,928
Finance lease obligations	2.33-4.75	-	133	133	2.33-4.75	-	202	202
		3,621	61,102	64,723		4,277	59,502	63,779
Non-current:								
Term loans	1.83-5.24	28,993	12,154	41,147	1.83-5.24	30,403	16,582	46,059
Finance lease obligations	2.33-4.75	-	219	219	2.33-4.75	-	419	419
		28,993	12,373	41,366		30,403	17,001	46,748
Total		32,614	73,475	106,089		34,024	76,503	110,527



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**Notes to the Unaudited Interim Financial Report**

**22. Material litigation**

Ewein Group is not engaged in any material litigation for the current quarter ended 31 March 2018.

**23. Basic 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.

	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 3 Months Ended</b>	
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Profit attributable to owners of the Company (RM'000)	12,052	2,533	12,052	2,533
Issued ordinary shares as at 1 January ('000)	301,585	222,649	301,585	222,649
Effect of exercise of warrants ('000)	-	5,657	-	5,657
Total weighted average number of ordinary shares	301,585	228,306	301,585	228,306
Basic earnings per share (sen)	4.00	1.11	4.00	1.11



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**Notes to the Unaudited Interim Financial Report**

**24. Diluted earnings per share**

The diluted earnings per share for the current quarter and cumulative quarter to date are computed as follows:

	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 12 Months Ended</b>	
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Profit attributable to owners of the Company (Basic) (RM'000)	12,052	2,533	12,052	2,533
Interest expense saving on borrowings (RM'000)	*	434	*	434
Profit attributable to owners of the Company (Diluted) (RM'000)	12,052	2,967	12,052	2,967
Weighted average number of ordinary shares of RM0.50 each in issue after taking into account the effect of Rights and Bonus shares ('000)	301,585	228,306	301,585	228,306
Adjustments for warrants granted ('000)	*	13,186	*	13,186
Adjusted weighted average number of ordinary shares in issue ('000)	301,585	241,492	301,585	241,492
Diluted earnings per share (sen)	4.00	#	4.00	#

\*Diluted earnings per share for 2018 is not applicable as there are no outstanding warrants as at the end of the financial reporting period.

# The diluted earnings per share for the period ended 31 March 2017 is the same as the basic earnings per share as the effect of anti-dilutive potential shares is ignored in the calculating diluted earnings per ordinary share in accordance with MFRS133, *Earnings Per Share*.



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**Notes to the Unaudited Interim Financial Report**

**25. Profit before taxation**

	<b>Current Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Profit before tax is arrived at after charging/(crediting):				
Interest income	(281)	(186)	(281)	(186)
Interest expense	196	85	196	85
Depreciation	856	687	856	687

**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 May 2018