



EWEIN BERHAD
(Company No. 742890-W)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019
(The figures have not been audited)

	As at 31-March-2019 (Unaudited) RM'000	As at 31-Dec-2018 (Audited) RM'000
ASSETS		
Property, plant and equipment	14,557	15,323
Investment properties	82,100	82,100
Intangible assets	124	138
Investment in associates	133	143
Deferred tax assets	5,027	5,027
Total non-current assets	<u>101,941</u>	<u>102,731</u>
Inventories	107,046	103,383
Contract assets	116,375	113,994
Current tax assets	134	59
Trade and other receivables	82,440	82,986
Fixed deposit with licensed banks	23,745	10,644
Cash and cash equivalents	25,897	25,455
Total current assets	<u>355,637</u>	<u>336,521</u>
TOTAL ASSETS	<u>457,578</u>	<u>439,252</u>
EQUITY AND LIABILITIES		
Share capital	152,424	152,424
Treasury shares	(6,418)	(3,376)
Reserves	94,735	81,486
Total equity attributable to shareholders of the Company	<u>240,741</u>	<u>230,534</u>
Non-controlling interests	8,244	6,664
Total equity	<u>248,985</u>	<u>237,198</u>
Long term borrowings	47,852	48,509
Other payables	1,135	1,140
Deferred tax liabilities	2,547	2,543
Total non-current liabilities	<u>51,534</u>	<u>52,192</u>
Loans and borrowings	64,294	67,316
Trade and other payables	75,003	68,074
Current tax liabilities	17,762	14,472
Total current liabilities	<u>157,059</u>	<u>149,862</u>
TOTAL LIABILITIES	<u>208,593</u>	<u>202,054</u>
TOTAL EQUITY AND LIABILITIES	<u>457,578</u>	<u>439,252</u>
Net Assets per ordinary share (RM)	<u>0.80</u>	<u>0.76</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 31 MARCH 2019
(The figures have not been audited)

	INDIVIDUAL QUARTER 3 months ended 31 March			CUMULATIVE QUARTER 3 months ended 31 March		
	2019 RM'000	2018 RM'000	Changes (%)	2019 RM'000	2018 RM'000	Changes (%)
Revenue	66,840	56,455	18.40	66,840	56,455	18.40
Cost of goods sold	(41,248)	(30,162)	36.75	(41,248)	(30,162)	36.75
Gross profit	<u>25,592</u>	<u>26,293</u>		<u>25,592</u>	<u>26,293</u>	
Other operating income	1,298	1,080	20.19	1,298	1,080	20.19
Distribution and administrative expenses	(6,003)	(6,403)	(6.25)	(6,003)	(6,403)	(6.25)
Finance costs	(1,256)	(2,166)	(42.01)	(1,256)	(2,166)	(42.01)
Share of result of associates	(10)	17	-	(10)	17	(158.82)
Profit before taxation	<u>19,621</u>	<u>18,821</u>	(4.25)	<u>19,621</u>	<u>18,821</u>	4.25
Tax expense	(4,792)	(4,627)	3.57	(4,792)	(4,627)	3.57
Profit for the period	<u>14,829</u>	<u>14,194</u>	(4.47)	<u>14,829</u>	<u>14,194</u>	4.47
Other Comprehensive Income, net of tax	-	-		-	-	
Total Comprehensive Income for the period	<u>14,829</u>	<u>14,194</u>	(4.47)	<u>14,829</u>	<u>14,194</u>	4.47
Profit attributable to:						
Owners of the Company	13,249	12,052		13,249	12,052	
Non-controlling interests	1,580	2,142		1,580	2,142	
	<u>14,829</u>	<u>14,194</u>		<u>14,829</u>	<u>14,194</u>	
Total comprehensive income attributable to:						
Owners of the Company	13,249	12,052		13,249	12,052	
Non-controlling interests	1,580	2,142		1,580	2,142	
	<u>14,829</u>	<u>14,194</u>		<u>14,829</u>	<u>14,194</u>	
Basic earnings per share (sen)	<u>4.54</u>	<u>4.00</u>		<u>4.54</u>	<u>4.00</u>	

*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 2018 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 31 MARCH 2019
(The figures have not been audited)

	Share capital RM'000	Treasury shares RM'000	Non- Distributable Reverse acquisition 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 2019	152,424	(3,376)	(31,482)	3,800	109,168	230,534	6,664	237,198
Total comprehensive income for the period	-	-	-	-	13,249	13,249	1,580	14,829
Shares buy back	-	(3,042)	-	-	-	(3,042)	-	(3,042)
At 31 March 2019	<u>152,424</u>	<u>(6,418)</u>	<u>(31,482)</u>	<u>3,800</u>	<u>122,417</u>	<u>240,741</u>	<u>8,244</u>	<u>248,985</u>
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	2,142	14,194
Changes in equity interest in a subsidiary	-	-	-	-	4,134	4,134	(4,264)	(130)
At 31 March 2018	<u>152,423</u>	<u>-</u>	<u>(31,482)</u>	<u>3,800</u>	<u>89,991</u>	<u>214,732</u>	<u>10,938</u>	<u>225,670</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 2018 and the accompanying notes attached to the interim financial statements.



EWELN BERHAD
(Company No. 742890-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019
(The figures have not been audited)

	3 months ended 31 March	
	2019	2018
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	19,621	18,821
Adjustments for:		
Non-cash items	623	1,774
Non-operating items	1,622	2,929
Operating profit before working capital changes	21,866	23,524
Changes in working capital		
Net changes in current assets	(5,498)	(20,283)
Net changes in liabilities	6,924	(5,156)
Taxes paid	(1,573)	(3,386)
Net cash (used in)/generated from operating activities	21,719	(5,301)
CASH FLOW FROM INVESTING ACTIVITIES		
- Interest income	441	281
- Purchase of property, plant and equipment	(305)	(325)
Net cash (used in)/generated from investing activities	136	(44)
CASH FLOW FROM FINANCING ACTIVITIES		
- Interest paid	(1,256)	(2,166)
- Drawdown/(Repayment) of term loans	(3,646)	(5,825)
- Payment for acquisition non-controlling interest	-	(130)
- Share buyback	(3,376)	-
Net cash (used in)/generated from financing activities	(8,278)	(8,121)
Net change in cash and cash equivalents	13,577	(13,466)
Cash and cash equivalents at beginning of the period	(8,821)	33,056
Cash and cash equivalents at end of the period	4,756	19,590
<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	25,897	18,557
Bank overdrafts	(44,887)	(45,661)
Fixed deposits with licensed banks	23,745	46,694
	4,755	19,590

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2018.

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 2018 except for the adoption of the new and revised Malaysian Financial Reporting Standards (“MFRS”) with effect from 1 January 2019.

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 2020

Amendments to MFRS 13	Business combination- Definition of a Business
Amendments to MFRS 101	Presentation of Financial Statements
MFRS108	Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material

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

MFRS 17	Insurance contracts
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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



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Notes to the Unaudited Interim Financial Report

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 2018 in their report dated 29 April 2019.

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 2019.

6. Changes in estimates

There were no changes in estimates that had a material effect in the current quarter ended 31 March 2019.

7. Debt and equity securities

During the financial period ended 31 March 2019, the Company acquired 5,032,100 ordinary shares from the open market for a cash consideration of RM3,041,959. The repurchased shares are treated as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act, 2016.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter ended 31 March 2019.



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8. Dividend paid/payable

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

On 29 April 2019, the Directors proposed a first and final single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2018, subject to the approval of the Company's shareholders in the forthcoming annual general meeting.

9. Segment information

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Segment Revenue				
Property development	55,197	47,805	55,197	47,805
Manufacturing	10,047	6,958	10,047	6,958
Investment holding, property management and letting	1,580	1,677	1,580	1,677
Ecommerce	16	15	16	15
Total revenue	66,840	56,455	66,840	56,455
Segment Results				
Property development	19,148	19,734	19,148	19,734
Manufacturing	322	59	322	59
Investment holding, property management and letting	1,029	1,013	1,029	1,013
Ecommerce	(63)	(100)	(63)	(100)
Profit before interest and taxation	20,436	20,706	20,436	20,706
Interest expense	(1,256)	(2,166)	(1,256)	(2,166)
Interest income	441	281	441	281
Profit before taxation	19,621	18,821	19,621	18,821
Taxation	(4,792)	(4,627)	(4,792)	(4,627)
Profit for the period	14,829	14,194	14,829	14,194



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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 2019 and 31 December 2018 were 2.26 times and 2.25 times respectively.

Comparison with previous year's corresponding quarter

The Group recorded a revenue of RM66.84 million in Q1'2019 as compared to RM56.46 million in Q1'2018 which was mainly contributed from property development segment for higher percentage of completion and properties units sold. The Group reported comparable profit before interest and taxation of RM20.44 million in Q1'2019 against RM20.71 million in Q1'2018.

10.2 Segmental analysis

Comparison with previous year's corresponding quarter

(i) Property development

The revenue recorded in Q1'2019 was RM55.20 million as compared to RM47.81 million in Q1'2018. The Group recorded a profit before interest and tax of RM19.15 million in Q1'2019 compared to profit before interest and tax of RM19.73 million achieved in Q1'2018. The increase in revenue was mainly due to the higher sales of properties and faster construction progress compared to last year.

(ii) Manufacturing

The revenue recorded in Q1'2019 was RM10.05 million as compared to RM6.96 million in Q1'2018. The profit before interest and tax in Q1'2019 was RM0.32 million compared to RM0.06 million in Q1'2018. The increase in the revenue and profit before interest and tax was mainly due to higher market demand on value-added products compared to last year.

(iii) Investment holding, property management and letting

The revenue recorded in Q1'2019 was RM1.59 million as compared to RM1.68 million in Q1'2018. The rental income from Menara IJM Land secures a recurring income annually. The profit before interest and tax in Q1'2019 was RM1.03 million as compare to profit before interest and tax in Q1'2018 of RM1.01 million. Both revenue and profit before tax is consistent compared to last year.



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(iv) Ecommerce

The revenue recorded in Q1'2019 was RM0.016 million as compared to RM0.015 million in Q1'2018. The loss before interest and tax in Q1'2019 was RM0.06 million as compared to loss before interest and tax in Q1'2018 of RM0.1million which was mainly due to initial expenditures in development stages.

11. Variation of results against preceding quarter

	3 Months Ended 31 March 2019	3 Months Ended 31 December 2018	Changes
	RM'000	RM'000	%
Revenue	66,840	44,180	51.29
Profit before interest and taxation	20,436	21,156	-3.40
Profit before taxation	19,621	13,445	45.93
Profit after taxation	14,829	6,864	116.04

The Group recorded a revenue of RM66.84 million in Q1'2019 as compared to RM44.18 million in Q4'2018. The Group reported a profit before interest and taxation of RM20.44 million in Q1'2019 against profit before interest and taxation of RM21.16 million in Q4'2018.

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 associate companies.

14. Events subsequent to the balance sheet date

Except for as disclose in item 20 of this report, there was no material event subsequent event to the end of the current quarter.



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15. Changes in Group's composition

On 7 May 2019, Ewein Zenith Sdn Bhd, a subsidiary of the Company incorporated a wholly-owned subsidiary, namely Ewein Zenith Hotels and Resorts Sdn. Bhd.. The issued share capital of Ewein Zenith Hotels and Resorts Sdn. Bhd. is RM1.00 comprising 1 ordinary share.

Except for the above, there were no changes in the composition of the Group during the financial period ended 31 March 2019.

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 2019 to be disclosed as at the date of this report.

18. Prospects for 2019

The Group Prospects for the year 2019 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.



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19. Variance between actual profit and forecast profit

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

20. Status of corporate proposals

On 3 May 2019, the Company proposes to undertake the following:

- (i) Proposed bonus issue of up to 75,396,296 free warrants in Ewein (“Warrant(s)”) on the basis of one (1) Warrant for every four (4) existing ordinary shares in Ewein (“Ewein Share(s)” or “Share(s)”) held on an entitlement date to be determined and announced later (“Proposed Bonus Issue of Warrants”);
- (ii) proposed establishment of an executives’ share option scheme of up to ten percent (10%) of the total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of the scheme for eligible executive Directors and senior management of Ewein and its subsidiaries (excluding subsidiaries which are dormant, if any) (“Proposed ESOS” or “Scheme”); and
- (iii) proposed establishment of a dividend reinvestment plan that provides the shareholders of Ewein with an option to elect to reinvest their cash dividend(s) declared by Ewein (whether interim, final, special or any other cash dividends) in new Ewein Shares (“Proposed DRP”).



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Notes to the Unaudited Interim Financial Report

21. Borrowings

	As at 31 March 2019			As at 31 December 2018			Total RM '000	
	Interest rate %	Secured		Interest rate %	Secured			
		RM '000 USD denomination	RM '000 RM denomination		RM '000 USD denomination	RM '000 RM denomination		
Current:								
Bank overdraft	7.26-8.60	-	44,886	44,886	7.26-8.60	-	46,360	46,360
Term loans	2.60-5.65	3,590	15,738	19,328	2.60-5.65	3,695	17,181	20,876
Finance lease obligations	2.33	-	80	80	2.33	-	80	80
		<u>3,590</u>	<u>60,704</u>	<u>64,294</u>		<u>3,695</u>	<u>63,621</u>	<u>67,316</u>
Non-current:								
Term loans	2.60-5.65	26,108	21,630	47,738	2.60-5.65	27,093	21,222	48,315
Finance lease obligations	2.33	-	114	114	2.33	-	194	194
		<u>26,108</u>	<u>21,744</u>	<u>47,852</u>		<u>27,093</u>	<u>21,416</u>	<u>48,509</u>
Total		<u><u>29,698</u></u>	<u><u>82,448</u></u>	<u><u>112,146</u></u>		<u><u>30,788</u></u>	<u><u>85,037</u></u>	<u><u>115,825</u></u>



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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 2019.

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.

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Profit attributable to owners of the Company (RM'000)	13,249	12,052	13,249	12,052
Weighted average number of ordinary shares in issue after taking into account the effect of Rights and Bonus shares ('000)	301,585	301,585	301,585	301,585
Weighted average number of ordinary shares after taking into account the effect of share buyback ('000)	(10,308)	-	(10,308)	-
Total weighted average number of ordinary shares	291,277	301,585	291,277	301,585
Basic earnings per share (sen)	4.54	4.00	4.54	4.00



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24. Profit before taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived at after charging/(crediting):				
Interest income	(441)	(281)	(441)	(281)
Interest expense	1,256	2,166	1,256	2,166
Depreciation	766	856	766	856

25. Authorisation for issue

The interim financial report was authorised 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: 31 May 2019