



EWEGIN BERHAD
Company No. 200601023136 (742890-W)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019
(The figures have not been audited)

	As at 30-Sept-2019 (Unaudited) RM'000	As at 31-Dec-2018 (Audited) RM'000
ASSETS		
Property, plant and equipment	15,879	15,323
Investment properties	82,100	82,100
Land use rights	2,802	-
Intangible assets	109	138
Investment in an associate	125	143
Deferred tax assets	4,820	5,027
Total non-current assets	<u>105,835</u>	<u>102,731</u>
Inventories	161,517	149,106
Current tax assets	798	59
Trade and other receivables	112,451	151,257
Fixed deposit with licensed banks	54,084	10,644
Cash and cash equivalents	26,575	25,455
Total current assets	<u>355,425</u>	<u>336,521</u>
TOTAL ASSETS	<u>461,260</u>	<u>439,252</u>
EQUITY AND LIABILITIES		
Share capital	152,424	152,424
Treasury shares	(7,644)	(3,376)
Reserves	118,976	81,486
Total equity attributable to shareholders of the Company	<u>263,756</u>	<u>230,534</u>
Non-controlling interests	11,081	6,664
Total equity	<u>274,837</u>	<u>237,198</u>
Long term borrowings	56,106	48,509
Other payables	976	1,140
Deferred tax liabilities	2,369	2,543
Total non-current liabilities	<u>59,451</u>	<u>52,192</u>
Loans and borrowings	65,644	67,316
Trade and other payables	53,576	68,074
Current tax liabilities	7,752	14,472
Total current liabilities	<u>126,972</u>	<u>149,862</u>
TOTAL LIABILITIES	<u>186,423</u>	<u>202,054</u>
TOTAL EQUITY AND LIABILITIES	<u>461,260</u>	<u>439,252</u>
Net Assets per ordinary share (RM)	<u>0.87</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. 200601023136 (742890-W)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 months ended			9 months ended		
	30 September			30 September		
	2019	2018	Changes	2019	2018	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	44,101	60,559	(27.18)	174,554	160,060	9.06
Cost of goods sold	(21,764)	(34,704)	(37.29)	(98,309)	(85,915)	14.43
Gross profit	<u>22,337</u>	<u>25,855</u>		<u>76,245</u>	<u>74,145</u>	
Other operating income/(expenses)	(565)	1,093	(151.69)	949	3,087	(69.26)
Distribution and administrative expenses	(6,132)	(9,835)	(37.65)	(17,894)	(22,117)	(19.09)
Finance costs	(1,849)	(248)	645.56	(3,155)	(725)	335.17
Share of result of associates	(15)	34	-	(18)	51	(135.29)
Profit before taxation	<u>13,776</u>	<u>16,899</u>	18.48	<u>56,127</u>	<u>54,441</u>	3.10
Tax expense	(5,182)	(3,746)	38.33	(14,220)	(12,056)	17.95
Profit for the period	<u>8,594</u>	<u>13,153</u>	34.66	<u>41,907</u>	<u>42,385</u>	(1.13)
Other Comprehensive Income, net of tax	-	-		-	-	
Total Comprehensive Income for the period	<u>8,594</u>	<u>13,153</u>	34.66	<u>41,907</u>	<u>42,385</u>	(1.13)
Profit attributable to:						
Owners of the Company	7,603	12,277		37,490	35,963	
Non-controlling interests	991	876		4,417	6,422	
	<u>8,594</u>	<u>13,153</u>		<u>41,907</u>	<u>42,385</u>	
Total comprehensive income attributable to:						
Owners of the Company	7,603	12,277		37,490	35,963	
Non-controlling interests	991	876		4,417	6,422	
	<u>8,594</u>	<u>13,153</u>		<u>41,907</u>	<u>42,385</u>	
Basic earnings per share (sen)	<u>2.53</u>	<u>4.07</u>		<u>12.65</u>	<u>11.92</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. 200601023136 (742890-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	37,490	37,490	4,417	41,907
Shares buy back	-	(4,268)	-	-	-	(4,268)	-	(4,268)
At 30 September 2019	152,424	(7,644)	(31,482)	3,800	146,658	263,756	11,081	274,837
At 1 January 2018	152,423	-	(31,482)	3,800	73,805	198,546	13,060	211,606
Total comprehensive income for the period	-	-	-	-	35,963	35,963	6,422	42,385
Changes in equity interest in a subsidiary	-	-	-	-	4,188	4,188	(4,188)	-
Dividend	-	-	-	-	(1,508)	(1,508)	-	(1,508)
At 30 September 2018	152,423	-	(31,482)	3,800	112,448	237,189	15,294	252,483

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.



EWAIN BERHAD
Company No. 200601023136 (742890-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

	9 months ended 30 September	
	2019	2018
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	56,127	54,441
Adjustments for:		
Non-cash items	605	2,149
Non-operating items	2,573	(1,078)
Operating profit before working capital changes	59,305	55,512
Changes in working capital		
Net changes in current assets	26,395	(68,808)
Net changes in liabilities	(14,662)	(28,934)
Taxes paid	(21,646)	(4,298)
Net cash generated from/ (used in) operating activities	49,392	(46,528)
CASH FLOW FROM INVESTING ACTIVITIES		
- Interest income	600	1,803
- Withdrawal/(Placement) of short term deposits with licensed banks	-	35,193
- Purchase of property, plant and equipment	(3,934)	(1,542)
Net cash (used in)/generated from investing activities	(3,334)	35,454
CASH FLOW FROM FINANCING ACTIVITIES		
- Interest paid	(3,155)	(725)
- Drawdown/(Repayment) of term loans	(37,916)	(8,885)
- Payment for acquisition non-controlling interest	-	(279)
- Payment of dividend	-	(1,508)
- Share buyback	(4,268)	-
Net cash used in financing activities	(45,339)	(11,397)
Net change in cash and cash equivalents	719	(22,471)
Cash and cash equivalents at beginning of the period	36,053	(2,136)
Cash and cash equivalents at end of the period	36,772	(24,607)
<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	26,575	9,899
Bank overdrafts	(43,887)	(47,653)
Fixed deposits with licensed banks	54,084	13,147
	36,772	(24,607)

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 30 September 2019.

6. Changes in estimates

There were no changes in estimates that had a material effect in the current quarter ended 30 September 2019.

7. Debt and equity securities

During the quarter ended 30 September 2019, the Company acquired 1,407,200 ordinary shares from the open market for a cash consideration of RM718,000. 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 30 September 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 except for the single tier first and final dividend of 0.50 sen per ordinary share totaling RM1,451,004 in respect of the financial year ended 31 December 2018, paid on 19 August 2019.

9. Segment information

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
Segment Revenue	RM'000	RM'000	RM'000	RM'000
Property development	30,786	46,177	139,040	124,557
Manufacturing	11,541	12,410	30,491	30,129
Investment holding, property management and letting	1,623	1,969	4,713	5,342
Ecommerce	151	3	310	32
Total revenue	44,101	60,559	174,554	160,060
Segment Results				
Property development	14,642	17,540	55,331	52,378
Manufacturing	1,336	433	2,630	698
Investment holding, property management and letting	(502)	(1,362)	861	857
Ecommerce	57	(225)	(140)	(570)
Profit before interest and taxation	15,533	16,386	58,682	53,363
Interest expense	(1,849)	(248)	(3,155)	(725)
Interest income	92	761	600	1,803
Profit before taxation	13,776	16,899	56,127	54,441
Taxation	(5,182)	(3,746)	(14,220)	(12,056)
Profit for the period	8,594	13,153	41,907	42,385



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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 30 September 2019 and 31 December 2018 were 2.80 times and 2.25 times respectively.

Comparison with previous year's corresponding quarter

The Group recorded a revenue of RM44.10 million in Q3'2019 as compared to RM60.56 million in Q3'2018 which was mainly contributed from property development segment as the City Of Dreams project is towards completion stage compare against previous year that the project is in the development stage. The Group reported lower profit before interest and taxation of RM15.53 million in Q3'2019 against RM16.39 million in Q3'2018.

Comparison with previous year's corresponding cumulative period to date

The Group recorded a revenue of RM174.55 million in nine months' period ended 30 September 2019 as compared to RM160.06 million in nine months' period ended 30 September 2018 which was mainly contributed from property development segment for higher percentage of completion and properties units sold cumulatively. The Group reported higher profit before interest and taxation of RM58.68 million in nine months' period ended 30 September 2019 against RM53.36 million in nine months' period ended 30 September 2018.

10.2 Segmental analysis

Comparison with previous year's corresponding quarter

(i) Property development

The revenue recorded in Q3'2019 was RM30.79 million as compared to RM46.18 million in Q3'2018. The Group recorded a profit before interest and tax of RM14.64 million in Q3'2019 compared to profit before interest and tax of RM17.54 million achieved in Q3'2018. The decrease was due to the City Of Dreams project is towards completion stage as compared to previous year that the project was in the development stage.



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10.2 Segmental analysis (continued)

Comparison with previous year's corresponding quarter (continued)

(ii) Manufacturing

The revenue recorded in Q3'2019 was RM11.54 million as compared to RM12.41 million in Q3'2018. The profit before interest and tax in Q3'2019 was RM1.34 million compared to RM0.43 million in Q3'2018. The increase in the profit before interest and tax was mainly due to better profit margin on certain value-added products compared to last year.

(iii) Investment holding, property management and letting

The revenue recorded in Q3'2019 was RM1.62 million as compared to RM1.97 million in Q3'2018. The rental income from Menara IJM Land secures a recurring income annually. The loss before interest and tax in Q3'2019 was RM0.50 million as compare to loss before interest and tax in Q3'2018 of RM1.36 million. Reducing in the loss before interest and tax which was mainly due to implication of fluctuation of foreign exchange rate in the Company USD loan.

(iv) Ecommerce

The revenue recorded in Q3'2019 was RM0.15 million as compared to RM0.003 million in Q3'2018 which was mainly ecommerce sales trading improvement. The profit before interest and tax in Q3'2019 was RM0.06 million as compared to loss before interest and tax in Q3'2018 of RM0.23 million which was mainly due to more sales in this quarter.

Comparison with previous year's corresponding cumulative period to date

(i) Property development

The revenue recorded in nine months' period ended 30 September 2019 was RM139.04 million as compared to RM124.56 million in nine months' period ended 30 September 2018. The Group recorded a profit before interest and tax of RM55.33 million in nine months' period ended 30 September 2019 compared to profit before interest and tax of RM52.38 million achieved in nine months' period ended 30 September 2018. The increase in revenue and profit was mainly due to the higher sales of properties and faster construction progress compared to last year.



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Notes to the Unaudited Interim Financial Report

10.2 Segmental analysis (continued)

Comparison with previous year's corresponding cumulative period to date (continued)

(ii) Manufacturing

The revenue recorded in nine months' period ended 30 September 2019 was RM30.49 million as compared to RM30.13 million in nine months period ended 30 September 2018. The profit before interest and tax in nine months' period ended 30 September 2019 was RM2.63 million compared to RM0.70 million in nine months period ended 30 September 2018. The increase in the revenue and profit before interest and tax was mainly due to better profit margin on certain value-added products compared to last year.

(iii) Investment holding, property management and letting

The revenue recorded in nine months' period ended 30 September 2019 was RM4.71 million as compared to RM5.34 million in nine months' period ended 30 September 2018. The rental income from Menara IJM Land secures a recurring income annually. The profit before interest and tax in nine months' period ended 30 September 2019 was RM0.86 million as compare to profit before interest and tax in nine months' period ended 30 September 2018 of RM0.85 million.

(iv) Ecommerce

The revenue recorded in nine months' period ended 30 September 2019 was RM0.31 million as compared to RM0.03 million in nine month's period ended 30 September 2018 which was mainly ecommerce sales trading activities improvement. The loss before interest and tax in nine months' period ended 30 September 2019 was RM0.14 million as compared to loss before interest and tax in nine months' period ended 30 September 2018 of RM0.57 million which was mainly due to improvement in sales for cumulative 9 months ended 2019.



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Notes to the Unaudited Interim Financial Report

11. Variation of results against preceding quarter

	3 Months Ended 30 September 2019 RM'000	3 Months Ended 30 June 2019 RM'000	Changes %
Revenue	44,101	63,613	-30.67
Profit before interest and taxation	15,533	22,713	-31.61
Profit before taxation	13,776	22,730	-39.39
Profit after taxation	8,594	18,484	-53.51

The Group recorded a revenue of RM44.10 million in Q3'2019 as compared to RM63.61 million in Q2'2019. The Group reported a profit before interest and taxation of RM15.53 million in Q3'2019 against profit before interest and taxation of RM22.71 million in Q2'2019. This was mainly due to the City Of Dreams project is towards completion stage.

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

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

- (i) On 4 October 2019, the Company disposed of 100% equity interest in Pierfront Sdn. Bhd. at consideration of RM1.00, and
- (ii) On 6 November 2019, the Company disposed of the entire 51% equity interest in E Parking Solution Sdn Bhd at consideration of RM51.00.

15. Changes in Group's composition

There were no changes in the composition of the Group during the financial period ended 30 September 2019, except for disposal of subsidiaries as stated in item 14.



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Notes to the Unaudited Interim Financial Report

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 30 September 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 strategic location and take up rate of Menara IJM Land.

(iv) Ecommerce

Ecommerce segment is still in developing stage, it is expected that the e-Commerce segment will derive additional revenue from the operation of coffee vending machines and beverage vending machines located in strategic locations in Penang attributable to sales of consumer products from the vending machines as well as revenue from sales of advertisement space on these vending machines.



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Notes to the Unaudited Interim Financial Report

19. Variance between actual profit and forecast profit

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

20. Status of corporate proposals

- (i) 72,550,156 Warrants issued pursuant to the Bonus Issue of Warrants has been admitted on the Main Market of Bursa Securities on 30 September 2019. The Stock Short Name, Stock Number and ISIN Code of the Warrants- B are “EWEIN-WB”, “7249WB” and “MYL7249WBW97”.
- (ii) Proposed Executives’ Share Option Scheme (“ESOS”) is effective on 11 July 2019, being the date on which the Company is in full compliance with Chapter 6 and in particular Paragraph 6.43(1) of the Listing Requirements.



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Notes to the Unaudited Interim Financial Report

21. Borrowings

	As at 30 September 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	-	43,887	43,887	7.26-8.60	-	46,360	46,360
Term loans	2.60-5.65	3,695	17,871	21,566	2.60-5.65	3,695	17,181	20,876
Finance lease obligations	2.33	-	191	191	2.33	-	80	80
		<u>3,695</u>	<u>61,949</u>	<u>65,644</u>		<u>3,695</u>	<u>63,621</u>	<u>67,316</u>
Non-current:								
Term loans	2.60-5.65	26,059	27,148	53,207	2.60-5.65	27,093	21,222	48,315
Finance lease obligations	2.33	-	2,899	2,899	2.33	-	194	194
		<u>26,059</u>	<u>30,047</u>	<u>56,106</u>		<u>27,093</u>	<u>21,416</u>	<u>48,509</u>
Total		<u><u>29,754</u></u>	<u><u>91,996</u></u>	<u><u>121,750</u></u>		<u><u>30,788</u></u>	<u><u>85,037</u></u>	<u><u>115,825</u></u>



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22. Material litigation

Ewein Group is not engaged in any material litigation for the current quarter ended 30 September 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 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Profit attributable to owners of the Company (RM'000)	7,603	12,277	37,490	35,963
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)	(619)	-	(5,400)	-
Total weighted average number of ordinary shares	300,966	301,585	296,185	301,585
Basic earnings per share (sen)	2.53	4.07	12.65	11.92

Diluted earnings per share

The diluted per share were not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.



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Notes to the Unaudited Interim Financial Report

24. Profit before taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived at after charging/(crediting):				
Interest income	92	761	600	1,803
Interest expense	(1,849)	(248)	(3,155)	(725)

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: 20 November 2019