



WANG-ZHENG BERHAD
(Company No.: 612237-K)
(Incorporated in Malaysia)

CONSOLIDATED FINANCIAL RESULTS AND NOTES
2nd QUARTER ENDED 30 JUNE 2017

Condensed Consolidated Income Statement for the quarter ended 30 June 2017

(The figures presented here have not been audited unless stated otherwise)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year</u> <u>Quarter</u> <u>30 JUNE 2017</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>30 JUNE 2016</u> RM'000	<u>Current</u> <u>Year</u> <u>To Date</u> <u>30 JUNE 2017</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>30 JUNE 2016</u> RM'000
Revenue	62,266	77,989	129,501	152,808
Operating expenses	(59,487)	(75,181)	(122,905)	(146,791)
Other operating income	1,040	6,739	1,827	7,105
Profit from operations	<u>3,819</u>	<u>9,547</u>	<u>8,423</u>	<u>13,122</u>
Interest income	873	789	1,721	1,685
Finance costs	(570)	(828)	(1,336)	(2,027)
Profit before tax	<u>4,122</u>	<u>9,508</u>	<u>8,808</u>	<u>12,780</u>
Income tax expense	(529)	(1,188)	(2,287)	(2,033)
Profit for the period	<u><u>3,593</u></u>	<u><u>8,320</u></u>	<u><u>6,521</u></u>	<u><u>10,747</u></u>
Profit attributed to:				
Equity holders of the parent	<u>3,593</u>	<u>8,320</u>	<u>6,521</u>	<u>10,747</u>
	<u><u>3,593</u></u>	<u><u>8,320</u></u>	<u><u>6,521</u></u>	<u><u>10,747</u></u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	<u>2.27</u>	<u>5.25</u>	<u>4.11</u>	<u>6.78</u>
Diluted (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

Quarterly report on consolidated results for the second financial quarter ended 30 June 2017

Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 June 2017

(The figures presented here have not been audited unless stated otherwise)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 30 JUNE 2017 RM'000	Preceding Year Corresponding Quarter 30 JUNE 2016 RM'000	Current Year To Date 30 JUNE 2017 RM'000	Preceding Year Corresponding Period 30 JUNE 2016 RM'000
Profit for the period	3,593	8,320	6,521	10,747
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<u>3,593</u>	<u>8,320</u>	<u>6,521</u>	<u>10,747</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>3,593</u>	<u>8,320</u>	<u>6,521</u>	<u>10,747</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

Quarterly report on consolidated results for the second financial quarter ended 30 June 2017

Condensed Consolidated Statement of Financial Position as at 30 June 2017

(The figures presented here have not been audited unless stated otherwise)

	As At End Of Current Quarter 30 JUNE 2017 RM'000	(Audited) Preceding Financial Year-Ended 31 DEC 2016 RM'000
Non-Current Assets		
Property, plant and equipment	37,790	38,741
Investment property	7,410	5,292
Other investments	48	48
	<u>45,248</u>	<u>44,081</u>
Current Assets		
Inventories	50,846	49,889
Trade receivables	52,222	71,509
Other receivables, deposits and prepayments	6,751	4,212
Fixed deposits with licensed banks	57,653	51,941
Cash and bank balances	62,973	64,123
	<u>230,445</u>	<u>241,674</u>
TOTAL ASSETS	<u>275,693</u>	<u>285,755</u>
Equity		
Equity attributable to equity holders of the parent		
Share capital	80,000	80,000
Share premium	6,677	6,677
Treasury shares	(650)	(650)
Retained profits	101,014	94,493
Total equity	<u>187,041</u>	<u>180,520</u>
Non-Current Liabilities		
Borrowings	11,473	12,838
Deferred taxation	1,893	1,893
	<u>13,366</u>	<u>14,731</u>
Current Liabilities		
Trade payables	7,959	8,010
Other payables	9,243	9,064
Amount owing to directors	297	198
Short term borrowings	55,934	72,278
Taxation	1,853	954
	<u>75,286</u>	<u>90,504</u>
Total Liabilities	<u>88,652</u>	<u>105,235</u>
TOTAL EQUITY AND LIABILITIES	<u>275,693</u>	<u>285,755</u>
Net Asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.18</u>	<u>1.14</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Cash Flows for the quarter ended 30 June 2017

(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 30 JUNE 2017 RM'000	Cumulative Preceding Year 30 JUNE 2016 RM'000
Cash flows from operating activities		
Profit before tax	8,808	12,780
Adjustments for:		
Bad debt written off	-	11
Depreciation of property, plant and equipment	2,270	1,509
Loss on disposal of investment in subsidiary	-	187
Gain on disposal of property, plant and equipment	(244)	(114)
Gain on disposal of other investment	-	(5,889)
Impairment on trade receivables	-	1,800
Interest expense	1,336	2,027
Interest income	(1,721)	(1,685)
Reversal of impairment on trade receivables	(274)	(127)
Unrealised loss on foreign exchange	870	480
Operating profit before working capital changes	11,045	10,979
(Increase)/Decrease in working capital:		
Inventories	(957)	(680)
Trade and other receivables	16,152	5,230
Trade and other payables	128	(295)
Amount owing to directors	99	99
Cash generated from operations	26,467	15,333
Interest received	1,721	1,685
Interest paid	(1,336)	(2,027)
Income tax refunded	347	-
Income tax paid	(1,735)	(1,482)
Net cash generated from operating activities	25,464	13,509
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	333	230
Proceeds from disposal of other investment	-	22,695
Purchase of investment properties	(2,049)	-
Purchase of property, plant and equipment	(1,479)	(606)
Net cash inflow from liquidation of a subsidiary company	-	733
Net cash (used in) generated from investing activities	(3,195)	23,052

Condensed Consolidated Statement of Cash Flows for the quarter ended 30 June 2017

(The figures presented here have not been audited unless stated otherwise)

	Cumulative Current Year 30 JUNE 2017 RM'000	Cumulative Preceding Year 30 JUNE 2016 RM'000
Cash flows from financing activities		
Net repayment of bank borrowings	(17,709)	(32,142)
Net cash used in financing activities	<u>(17,709)</u>	<u>(32,142)</u>
Net increase in cash and cash equivalents	4,560	4,419
Cash and cash equivalents at beginning of financial year	116,066	111,003
Cash and cash equivalents at end of financial period	<u>120,626</u>	<u>115,422</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	57,653	51,030
Cash and bank balances	<u>62,973</u>	<u>64,392</u>
	<u>120,626</u>	<u>115,422</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

Quarterly report on consolidated results for the second financial quarter ended 30 June 2017

Condensed Consolidated Statement of Changes in Equity for the quarter ended 30 June 2017

(The figures presented here have not been audited)

	Attributable to Equity Holders of the Parent				Total RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Retained Profit RM'000	
Balance as at 1 January 2017	80,000	6,677	(650)	94,493	180,520
Profit for the period	-	-	-	6,521	6,521
Other comprehensive income:	-	-	-	-	-
Total comprehensive income for the period	-	-	-	6,521	6,521
Balance as at 30 June 2017	80,000	6,677	(650)	101,014	187,041
Balance as at 1 January 2016	80,000	6,677	(650)	83,139	169,166
Profit for the period	-	-	-	10,747	10,747
Other comprehensive income:	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,747	10,747
Balance as at 30 June 2016	80,000	6,677	(650)	93,886	179,913

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the financial statements)