



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

CONSOLIDATED FINANCIAL RESULTS AND NOTES
4th QUARTER ENDED 31 DECEMBER 2017

Condensed Consolidated Income Statement for the quarter ended 31 December 2017

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u> (Audited)	
	<u>Current year</u> <u>Quarter</u> <u>31 DEC 2017</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31 DEC 2016</u> RM'000	<u>Current</u> <u>Year</u> <u>To Date</u> <u>31 DEC 2017</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31 DEC 2016</u> RM'000
Revenue	73,711	87,556	275,225	309,052
Operating expenses	(71,852)	(85,159)	(264,936)	(297,291)
Other operating income	985	1,296	3,941	9,308
Profit from operations	<u>2,844</u>	<u>3,693</u>	<u>14,230</u>	<u>21,069</u>
Interest income	1,108	1,159	3,869	3,495
Finance costs	(623)	(224)	(2,645)	(3,102)
Profit before tax	<u>3,329</u>	<u>4,628</u>	<u>15,454</u>	<u>21,462</u>
Income tax expense	(1,717)	863	(4,897)	(3,765)
Profit for the period	<u><u>1,612</u></u>	<u><u>5,491</u></u>	<u><u>10,557</u></u>	<u><u>17,697</u></u>
Profit attributed to:				
Equity holders of the parent	<u>1,612</u>	<u>5,491</u>	<u>10,557</u>	<u>17,697</u>
	<u><u>1,612</u></u>	<u><u>5,491</u></u>	<u><u>10,557</u></u>	<u><u>17,697</u></u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	<u>1.02</u>	<u>3.46</u>	<u>6.66</u>	<u>11.16</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)

Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 December 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>31 DEC 2017</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31 DEC 2016</u> RM'000	<u>Current</u> <u>Year</u> <u>To Date</u> <u>31 DEC 2017</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31 DEC 2016</u> RM'000
Profit for the period	1,612	5,491	10,557	17,697
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<u>1,612</u>	<u>5,491</u>	<u>10,557</u>	<u>17,697</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>1,612</u>	<u>5,491</u>	<u>10,557</u>	<u>17,697</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 fourth financial quarter ended 31 December 2017

Condensed Consolidated Statement of Financial Position as at 31 December 2017

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

	As At End Of Current Quarter 31 DEC 2017 RM'000	(Audited) Preceding Financial Year-Ended 31 DEC 2016 RM'000
Non-Current Assets		
Property, plant and equipment	36,255	38,741
Investment property	7,903	5,292
Other investments	88	48
	44,246	44,081
Current Assets		
Inventories	45,075	49,889
Trade receivables	60,245	71,509
Other receivables, deposits and prepayments	3,109	4,212
Fixed deposits with licensed banks	58,443	51,941
Cash and bank balances	52,512	64,123
	219,384	241,674
TOTAL ASSETS	263,630	285,755
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	100,293	94,493
Total equity	186,320	180,520
Non-Current Liabilities		
Borrowings	10,156	12,838
Deferred taxation	2,078	1,893
	12,234	14,731
Current Liabilities		
Trade payables	7,926	8,010
Other payables	9,700	9,064
Amount owing to directors	-	198
Short term borrowings	46,895	72,278
Taxation	555	954
	65,076	90,504
Total Liabilities	77,310	105,235
TOTAL EQUITY AND LIABILITIES	263,630	285,755
Net Asset per share attributable to ordinary equity holders of the parent (RM)	1.17	1.14

(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 31 December 2017

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

	Cumulative Current Year 31 DEC 2017 RM'000	(Audited) Cumulative Preceding Year 31 DEC 2016 RM'000
Cash flows from operating activities		
Profit before tax	15,454	21,462
Adjustments for:		
Amortisation of other investment	-	1
Bad debt written off	32	71
Depreciation of property, plant and equipment	4,530	4,803
Gain on liquidation of a subsidiary company	-	(277)
Gain on disposal of property, plant and equipment	(366)	(153)
Gain on disposal of other investments	-	(5,889)
Impairment on trade receivables	317	1,959
Impairment on other receivables	58	-
Interest expense	2,645	3,102
Interest income	(3,869)	(3,495)
Inventories written off	133	-
Reversal of inventories written down	-	(600)
Reversal of impairment on trade receivables	(288)	(240)
Unrealised loss on foreign exchange	1,638	148
Operating profit before working capital changes	20,284	20,892
(Increase)/Decrease in working capital:		
Inventories	4,681	(6,074)
Trade and other receivables	10,610	(8,938)
Trade and other payables	552	(2,186)
Amount owing to directors	(198)	-
Cash generated from operations	35,929	3,694
Interest received	3,869	3,495
Interest paid	(2,645)	(3,102)
Income tax refunded	347	4
Income tax paid	(5,529)	(5,723)
Net cash generated from (used in) operating activities	31,971	(1,632)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	592	361
Proceeds from disposal of other investment	-	22,695
Purchase of investment properties	(2,473)	(5,292)
Purchase of property, plant and equipment	(2,339)	(1,712)
Acquisition of other investments	(40)	-
Net cash inflow from liquidation of a subsidiary company	-	493
Net cash (used in) generated from investing activities	(4,260)	16,545

Condensed Consolidated Statement of Cash Flows for the quarter ended 31 December 2017

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

	Cumulative Current Year 31 DEC 2017 RM'000	(Audited) Cumulative Preceding Year 31 DEC 2016 RM'000
Cash flows from financing activities		
Dividend paid	(4,757)	(6,343)
Net repayment of bank borrowings	(28,065)	(3,360)
Net cash used in financing activities	<u>(32,822)</u>	<u>(9,703)</u>
Net (decrease) increase in cash and cash equivalents	(5,111)	5,210
Effect of exchange rate fluctuations on cash held	-	(148)
Cash and cash equivalents at beginning of financial year	116,066	111,003
Cash and cash equivalents at end of financial year	<u>110,955</u>	<u>116,065</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	58,443	51,941
Cash and bank balances	<u>52,512</u>	<u>64,124</u>
	<u>110,955</u>	<u>116,065</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 fourth financial quarter ended 31 December 2017

Condensed Consolidated Statement of Changes in Equity for the quarter ended 31 December 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	-	-	-	10,557	10,557
Other comprehensive income:	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,557	10,557
Dividends	-	-	-	(4,757)	(4,757)
Balance as at 31 December 2017	80,000	6,677	(650)	100,293	186,320
Balance as at 1 January 2016	80,000	6,677	(650)	83,139	169,166
Profit for the period	-	-	-	17,697	17,697
Other comprehensive income:	-	-	-	-	-
Total comprehensive income for the period	-	-	-	17,697	17,697
Dividends	-	-	-	(6,343)	(6,343)
Balance as at 31 December 2016	80,000	6,677	(650)	94,493	180,520

(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)