



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

CONSOLIDATED FINANCIAL RESULTS AND NOTES
2nd QUARTER ENDED 30 JUNE 2018

Condensed Consolidated Income Statement for the quarter ended 30 June 2018

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 30 JUN 2018 RM'000	Preceding Year Corresponding Quarter 30 JUN 2017 RM'000	Current Year To Date 30 JUN 2018 RM'000	Preceding Year Corresponding Period 30 JUN 2017 RM'000
Revenue	60,180	62,266	114,651	129,501
Cost of sales	(52,628)	(54,032)	(99,172)	(111,359)
Gross profit	<u>7,552</u>	<u>8,234</u>	<u>15,479</u>	<u>18,142</u>
Other income	2,030	1,040	2,659	1,827
Marketing and distribution expenses	(474)	(654)	(577)	(1,411)
Administration expenses	(4,534)	(4,801)	(9,182)	(10,135)
Operating profit	<u>4,574</u>	<u>3,819</u>	<u>8,379</u>	<u>8,423</u>
Interest income	500	873	1,318	1,721
Finance costs	(711)	(570)	(1,303)	(1,336)
Profit before tax	<u>4,363</u>	<u>4,122</u>	<u>8,394</u>	<u>8,808</u>
Income tax expense	(2,129)	(529)	(3,127)	(2,287)
Profit for the period	<u><u>2,234</u></u>	<u><u>3,593</u></u>	<u><u>5,267</u></u>	<u><u>6,521</u></u>
Profit attributed to:				
Equity holders of the parent	<u>2,234</u>	<u>3,593</u>	<u>5,267</u>	<u>6,521</u>
	<u><u>2,234</u></u>	<u><u>3,593</u></u>	<u><u>5,267</u></u>	<u><u>6,521</u></u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	<u>1.41</u>	<u>2.27</u>	<u>3.32</u>	<u>4.11</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 2017 and the accompanying explanatory notes attached to the interim financial statements)

Quarterly report on consolidated results for the second financial quarter ended 30 June 2018

Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 June 2018

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 30 JUN 2018 RM'000	Preceding Year Corresponding Quarter 30 JUN 2017 RM'000	Current Year To Date 30 JUN 2018 RM'000	Preceding Year Corresponding Period 30 JUN 2017 RM'000
Profit for the period	2,234	3,593	5,267	6,521
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<u>2,234</u>	<u>3,593</u>	<u>5,267</u>	<u>6,521</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>2,234</u>	<u>3,593</u>	<u>5,267</u>	<u>6,521</u>
	<u>2,234</u>	<u>3,593</u>	<u>5,267</u>	<u>6,521</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 2017 and the accompanying explanatory notes attached to the interim financial statements)

Quarterly report on consolidated results for the second financial quarter ended 30 June 2018

Condensed Consolidated Statement of Financial Position as at 30 June 2018

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

	As At End Of Current Quarter 30 JUN 2018 RM'000	(Audited) Preceding Financial Year-Ended 31 DEC 2017 RM'000
Non-Current Assets		
Property, plant and equipment	34,668	36,254
Investment property	9,238	7,903
Other investments	88	88
	43,994	44,245
Current Assets		
Inventories	48,072	45,075
Trade receivables	48,872	60,244
Other receivables, deposits and prepayments	1,795	3,265
Fixed deposits with licensed banks	57,050	58,445
Cash and bank balances	60,530	52,512
	216,319	219,541
TOTAL ASSETS	260,313	263,786
Equity		
Equity attributable to equity holders of the parent		
Share capital	86,677	86,677
Treasury shares	(650)	(650)
Retained profits	99,217	100,293
Total equity	185,244	186,320
Non-Current Liabilities		
Borrowings	8,853	10,156
Deferred taxation	2,078	2,078
	10,931	12,234
Current Liabilities		
Trade payables	6,343	7,928
Other payables	5,552	9,857
Short term borrowings	51,739	46,895
Taxation	504	552
	64,138	65,232
Total Liabilities	75,069	77,466
TOTAL EQUITY AND LIABILITIES	260,313	263,786
Net Asset per share attributable to ordinary equity holders of the parent (RM)	1.17	1.17

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Cash Flows for the quarter ended 30 June 2018

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

	Cumulative Current Year 30 JUN 2018 RM'000	Cumulative Preceding Year 30 JUN 2017 RM'000
Cash flows from operating activities		
Profit before tax	8,394	8,808
Adjustments for:		
Bad debt written off	49	-
Depreciation of property, plant and equipment	2,090	2,270
Gain on disposal of property, plant and equipment	-	(244)
Impairment on other receivables	196	-
Interest expense	1,303	1,336
Interest income	(1,318)	(1,721)
Reversal of impairment on trade receivables	(1,528)	(274)
Unrealised (gain) loss on foreign exchange	(113)	870
Operating profit before working capital changes	<u>9,073</u>	<u>11,045</u>
(Increase)/Decrease in working capital:		
Inventories	(2,997)	(957)
Trade and other receivables	14,239	16,152
Trade and other payables	(5,889)	129
Amount owing to directors	-	99
Cash generated from operations	<u>14,426</u>	<u>26,468</u>
Interest received	1,318	1,721
Interest paid	(1,303)	(1,336)
Income tax refunded	75	347
Income tax paid	(3,250)	(1,735)
Net cash generated from operating activities	<u>11,266</u>	<u>25,465</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	333
Purchase of investment properties	(1,335)	(2,049)
Purchase of property, plant and equipment	(504)	(1,479)
Net cash used in investing activities	<u>(1,839)</u>	<u>(3,195)</u>

Quarterly report on consolidated results for the second financial quarter ended 30 June 2018

Condensed Consolidated Statement of Cash Flows for the quarter ended 30 June 2018

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

	Cumulative Current Year 30 JUN 2018 RM'000	(Audited) Cumulative Preceding Year 30 JUN 2017 RM'000
Cash flows from financing activities		
Dividend paid	(6,343)	-
Net repayment of bank borrowings	3,540	(17,709)
Net cash used in financing activities	<u>(2,803)</u>	<u>(17,709)</u>
Net increase in cash and cash equivalents	6,624	4,561
Cash and cash equivalents at beginning of financial year	110,956	116,065
Cash and cash equivalents at end of financial period	<u>117,580</u>	<u>120,626</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	57,050	57,653
Cash and bank balances	60,530	62,973
	<u>117,580</u>	<u>120,626</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 2017 and the accompanying explanatory notes attached to the interim financial statements)

Quarterly report on consolidated results for the second financial quarter ended 30 June 2018

Condensed Consolidated Statement of Changes in Equity for the quarter ended 30 June 2018

(The figures presented here have not been audited)

	----- Attributable to Equity Holders of the Parent -----			Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Retained Profit RM'000	
Balance as at 1 January 2018	86,677	(650)	100,293	186,320
Profit for the period	-	-	5,267	5,267
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	-	-	5,267	5,267
Dividends	-	-	(6,343)	(6,343)
Balance as at 30 June 2018	86,677	(650)	99,217	185,244
Balance as at 1 January 2017	86,677	(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	86,677	(650)	101,014	187,041

(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 2017 and the accompanying explanatory notes attached to the financial statements)