



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

CONSOLIDATED FINANCIAL RESULTS AND NOTES
3rd QUARTER ENDED 30 SEPTEMBER 2018

Condensed Consolidated Income Statement for the quarter ended 30 September 2018

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter 30 Sep 2017 RM'000	Current Year To Date 30 Sep 2018 RM'000	Preceding Year Corresponding Period 30 Sep 2017 RM'000
Revenue	74,561	72,013	189,212	201,514
Cost of sales	(65,051)	(64,242)	(164,223)	(175,625)
Gross profit	9,510	7,771	24,989	25,889
Other income	706	1,129	3,365	2,956
Marketing and distribution expenses	(577)	(738)	(1,155)	(2,149)
Administration expenses	(5,105)	(5,199)	(14,287)	(15,310)
Operating profit	4,534	2,963	12,912	11,386
Interest income	1,043	1,040	2,362	2,761
Finance costs	(604)	(686)	(1,907)	(2,022)
Profit before tax	4,973	3,317	13,367	12,125
Income tax expense	(1,685)	(893)	(4,811)	(3,180)
Profit for the period	3,288	2,424	8,556	8,945
Profit attributed to:				
Equity holders of the parent	3,288	2,424	8,556	8,945
	3,288	2,424	8,556	8,945
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	2.07	1.53	5.40	5.64
Diluted (sen)	N/A	N/A	N/A	N/A

(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 third financial quarter ended 30 September 2018

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

(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 Sep 2018</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>30 Sep 2017</u> RM'000	<u>Current</u> <u>Year</u> <u>To Date</u> <u>30 Sep 2018</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>30 Sep 2017</u> RM'000
Profit for the period	3,288	2,424	8,556	8,945
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<u>3,288</u>	<u>2,424</u>	<u>8,556</u>	<u>8,945</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>3,288</u>	<u>2,424</u>	<u>8,556</u>	<u>8,945</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 third financial quarter ended 30 September 2018

Condensed Consolidated Statement of Financial Position as at 30 September 2018

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

	As At End Of Current Quarter 30 Sep 2018 RM'000	(Audited) Preceding Financial Year-Ended 31 DEC 2017 RM'000
Non-Current Assets		
Property, plant and equipment	33,781	36,254
Investment property	9,273	7,903
Other investments	88	88
	43,142	44,245
Current Assets		
Inventories	51,399	45,075
Trade receivables	57,477	60,244
Other receivables, deposits and prepayments	4,645	3,265
Fixed deposits with licensed banks	64,811	58,445
Cash and bank balances	42,710	52,512
	221,042	219,541
TOTAL ASSETS	264,184	263,786
Equity		
Equity attributable to equity holders of the parent		
Share capital	86,677	86,677
Treasury shares	(650)	(650)
Retained profits	102,506	100,293
Total equity	188,533	186,320
Non-Current Liabilities		
Borrowings	8,206	10,156
Deferred taxation	2,078	2,078
	10,284	12,234
Current Liabilities		
Trade payables	5,526	7,928
Other payables	7,164	9,857
Short term borrowings	51,881	46,895
Taxation	796	552
	65,367	65,232
Total Liabilities	75,651	77,466
TOTAL EQUITY AND LIABILITIES	264,184	263,786
Net Asset per share attributable to ordinary equity holders of the parent (RM)	1.19	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 September 2018

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

	Cumulative Current Year 30 Sep 2018 RM'000	Cumulative Preceding Year 30 Sep 2017 RM'000
Cash flows from operating activities		
Profit before tax	13,367	12,125
Adjustments for:		
Bad debt written off	57	-
Depreciation of property, plant and equipment	3,070	3,400
Gain on disposal of property, plant and equipment	-	(315)
Impairment on trade receivables	197	-
Interest expense	1,907	2,022
Interest income	(2,362)	(2,761)
Reversal of impairment on trade receivables	(1,737)	(274)
Unrealised (gain) loss on foreign exchange	(166)	1,220
Operating profit before working capital changes	<u>14,333</u>	<u>15,417</u>
(Increase)/Decrease in working capital:		
Inventories	(6,325)	(2,809)
Trade and other receivables	3,038	14,976
Trade and other payables	(5,095)	(854)
Amount owing to directors	-	(198)
Cash generated from operations	<u>5,951</u>	<u>26,532</u>
Interest received	2,362	2,761
Interest paid	(1,907)	(2,022)
Income tax refunded	75	347
Income tax paid	(4,643)	(3,630)
Net cash generated from operating activities	<u>1,838</u>	<u>23,988</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	1	403
Purchase of investment properties	(1,370)	(2,542)
Purchase of property, plant and equipment	(597)	(1,740)
Acquisition of other investments	-	(40)
Net cash used in investing activities	<u>(1,966)</u>	<u>(3,919)</u>

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

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

	Cumulative Current Year 30 Sep 2018 RM'000	(Audited) Cumulative Preceding Year 30 Sep 2017 RM'000
Cash flows from financing activities		
Dividend paid	(6,343)	(4,757)
Proceeds from issuance of ordinary shares	-	-
Net repayment of bank borrowings	3,036	(23,286)
Net cash used in financing activities	<u>(3,307)</u>	<u>(28,043)</u>
Net decrease in cash and cash equivalents	(3,435)	(7,974)
Cash and cash equivalents at beginning of financial year	110,956	116,066
Cash and cash equivalents at end of financial period	<u>107,521</u>	<u>108,092</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	64,811	57,800
Cash and bank balances	42,710	50,292
	<u>107,521</u>	<u>108,092</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 third financial quarter ended 30 September 2018

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

(The figures presented here have not been audited)

	----- Attributable to Equity Holders of the Parent -----		Retained Profit RM'000	Total RM'000
	Share Capital RM'000	Treasury Shares RM'000		
Balance as at 1 January 2018	86,677	(650)	100,293	186,320
Profit for the period	-	-	8,556	8,556
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	-	-	8,556	8,556
Dividends	-	-	(6,343)	(6,343)
Balance as at 30 September 2018	86,677	(650)	102,506	188,533
Balance as at 1 January 2017	86,677	(650)	94,493	180,520
Profit for the period	-	-	8,945	8,945
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	-	-	8,945	8,945
Dividends	-	-	(4,757)	(4,757)
Balance as at 30 September 2017	86,677	(650)	98,681	184,708

(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)