



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

CONSOLIDATED FINANCIAL RESULTS AND NOTES
1st QUARTER ENDED 31 MARCH 2014

Condensed Consolidated Income Statement for the quarter ended 31 March 2014

(The figures presented here have not been audited)

| | <u>Individual Quarter</u> | | <u>Cumulative Quarter</u> | |
|--|--|--|--|---|
| | <u>Current year Quarter 31 MAR 2014 RM'000</u> | <u>Preceding Year Corresponding Quarter 31 MAR 2013 RM'000</u> | <u>Current Year To Date 31 MAR 2014 RM'000</u> | <u>Preceding Year Corresponding Period 31 MAR 2013 RM'000</u> |
| Revenue | 58,075 | 66,255 | 58,075 | 66,255 |
| Operating expenses | (55,127) | (61,460) | (55,127) | (61,460) |
| Other operating income | 904 | 1,305 | 904 | 1,305 |
| Profit from operations | <u>3,852</u> | <u>6,100</u> | <u>3,852</u> | <u>6,100</u> |
| Interest income | 555 | 396 | 555 | 396 |
| Finance costs | (994) | (1,052) | (994) | (1,052) |
| Profit before tax | <u>3,413</u> | <u>5,444</u> | <u>3,413</u> | <u>5,444</u> |
| Income tax expense | (1,037) | (1,522) | (1,037) | (1,522) |
| Profit for the period | <u><u>2,376</u></u> | <u><u>3,922</u></u> | <u><u>2,376</u></u> | <u><u>3,922</u></u> |
| Profit attributed to: | | | | |
| Equity holders of the parent | 2,376 | 3,920 | 2,376 | 3,920 |
| Non-controlling Interests | <u>0</u> | <u>2</u> | <u>0</u> | <u>2</u> |
| | <u><u>2,376</u></u> | <u><u>3,922</u></u> | <u><u>2,376</u></u> | <u><u>3,922</u></u> |
| Earnings per share attributable to equity holders of the parent: | | | | |
| EPS - Basic (sen) | <u>1.50</u> | <u>2.47</u> | <u>1.50</u> | <u>2.47</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 2013 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 March 2014

(The figures presented here have not been audited)

| | <u>Individual Quarter</u> | | <u>Cumulative Quarter</u> | |
|--|--|--|--|---|
| | Current year Quarter 31 MAR 2014 RM'000 | Preceding Year Corresponding Quarter 31 MAR 2013 RM'000 | Current Year To Date 31 MAR 2014 RM'000 | Preceding Year Corresponding Period 31 MAR 2013 RM'000 |
| Profit for the period | 2,376 | 3,922 | 2,376 | 3,922 |
| Other Comprehensive income | | | | |
| - Foreign currency translation differences for foreign operations | 80 | 406 | 80 | 406 |
| Total comprehensive income for the period | <u>2,456</u> | <u>4,328</u> | <u>2,456</u> | <u>4,328</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent | 2,456 | 4,326 | 2,456 | 4,326 |
| Non-controlling Interests | <u>0</u> | <u>2</u> | <u>0</u> | <u>2</u> |
| | <u>2,456</u> | <u>4,328</u> | <u>2,456</u> | <u>4,328</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 2013 and the accompanying explanatory notes attached to the interim financial statements)

Condensed Consolidated Statement of Financial Position as at 31 March 2014

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

| | As At End Of Current Quarter 31 MAR 2014 RM'000 | (Audited) Preceding Financial Year-Ended 31 DEC 2013 RM'000 |
|---|--|--|
| Non-Current Assets | | |
| Property, plant and equipment | 48,434 | 49,292 |
| Investment property | - | 0 |
| Other investments | 16,812 | 16,812 |
| | <u>65,246</u> | <u>66,104</u> |
| Current Assets | | |
| Non-current assets held for sales | 18,417 | 18,417 |
| Inventories | 47,088 | 42,521 |
| Trade receivables | 45,056 | 49,371 |
| Other receivables, deposits and prepayments | 2,031 | 3,022 |
| Tax recoverable | 1,403 | 1,910 |
| Fixed deposit with licensed banks | 43,350 | 47,937 |
| Cash and bank balances | 54,240 | 45,686 |
| | <u>211,585</u> | <u>208,864</u> |
| TOTAL ASSETS | <u>276,831</u> | <u>274,968</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) |
| Exchange translation reserve | 2,538 | 2,458 |
| Retained profits | 73,173 | 70,797 |
| | <u>161,738</u> | <u>159,282</u> |
| Non-controlling interests | 405 | 405 |
| Total equity | <u>162,143</u> | <u>159,687</u> |
| Non-Current Liabilities | | |
| Borrowings | 32,797 | 33,211 |
| Deferred taxation | 3,242 | 3,243 |
| | <u>36,039</u> | <u>36,454</u> |
| Current Liabilities | | |
| Trade payables | 6,025 | 5,925 |
| Other payables | 8,201 | 8,588 |
| Amount owing to directors | 248 | 198 |
| Short term borrowings | 63,122 | 62,721 |
| Taxation | 1,053 | 1,395 |
| | <u>78,649</u> | <u>78,827</u> |
| Total Liabilities | <u>114,688</u> | <u>115,281</u> |
| TOTAL EQUITY AND LIABILITIES | <u>276,831</u> | <u>274,968</u> |
| Net Asset per share attributable to ordinary equity holders of the parent (RM) | <u>1.02</u> | <u>1.00</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 2013 and the accompanying explanatory notes attached to the interim financial statements).

Condensed Consolidated Statement of Cash Flows as at 31 March 2014

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

| | Cumulative Current Year 31 MAR 2014 RM'000 | Cumulative Preceding Year 31 MAR 2013 RM'000 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 3,413 | 5,444 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,341 | 1,416 |
| Gain on disposal of investment property | - | (89) |
| Gain on disposal of non-current asset held for sale | - | (988) |
| Impairment on trade receivables | - | 45 |
| Interest expense | 555 | 1,052 |
| Interest income | (994) | (396) |
| Reversal of impairment on slow moving inventories | - | (27) |
| Reversal of impairment on trade receivables | (104) | (1) |
| Unrealised loss on foreign exchange | 140 | - |
| Operating profit before working capital changes | <u>4,351</u> | <u>6,456</u> |
| (Increase)/Decrease in working capital: | | |
| Inventories | (4,567) | (3,984) |
| Trade and other receivables | 5,270 | (3,491) |
| Trade and other payables | (580) | (2,222) |
| Amount owing to directors | 50 | - |
| Cash generated from (used in) operations | <u>4,524</u> | <u>(3,241)</u> |
| Interest received | 994 | 396 |
| Interest paid | (555) | (1,052) |
| Income tax refunded | - | 122 |
| Income tax paid | (991) | (619) |
| Net cash from (used in) operating activities | <u><u>3,972</u></u> | <u><u>(4,394)</u></u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of non-current assets held for sales | - | 2,550 |
| Proceeds from disposal of property, plant and equipment | - | 164 |
| Purchase of property, plant and equipment | (72) | (385) |
| Acquisition of other investments | - | (16,435) |
| Net cash used in investing activities | <u><u>(72)</u></u> | <u><u>(14,106)</u></u> |

Condensed Consolidated Statement of Cash Flows as at 31 March 2014

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

| | Cumulative Current Year 31 MAR 2014 RM'000 | Cumulative Preceding Year 31 MAR 2013 RM'000 |
|--|---|---|
| Cash flows from financing activities | | |
| Net (repayment)/drawdown of bank borrowings | (13) | 28,211 |
| Net cash (used in) from financing activities | <u>(13)</u> | <u>28,211</u> |
| Net increase in cash and cash equivalents | 3,887 | 9,711 |
| Effect of exchange rate fluctuations on cash held | 80 | 406 |
| Cash and cash equivalents at beginning of financial year | 93,623 | 81,426 |
| Cash and cash equivalents at end of financial period | <u>97,590</u> | <u>91,543</u> |
| Cash and cash equivalents comprise: | | |
| Fixed deposits with licensed banks | 43,350 | 35,411 |
| Cash and bank balances | 54,240 | 56,132 |
| | <u>97,590</u> | <u>91,543</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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

Condensed Consolidated Statement of Changes in Equity for the quarter ended 31 March 2014

(The figures presented here have not been audited)

| | ----- Attributable to Equity Holders of the Parent ----- | | | | | | Total RM'000 |
|---|--|----------------------------|------------------------------|--|------------------------------|---|-----------------|
| | Non-distributable | | | | Distributable | | |
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | Exchange Translation Reserve RM'000 | Retained Profit RM'000 | Non- Controlling Interest RM'000 | |
| Balance as at 1 January 2014 | 80,000 | 6,677 | (650) | 2,458 | 70,797 | 405 | 159,687 |
| Profit for the period | - | - | - | - | 2,376 | - | 2,376 |
| Other Comprehensive income | - | - | - | 80 | - | - | 80 |
| Total comprehensive income for the period | - | - | - | 80 | 2,376 | - | 2,456 |
| Balance as at 31 March 2014 | 80,000 | 6,677 | (650) | 2,538 | 73,173 | 405 | 162,143 |
| Balance as at 1 January 2013 | 80,000 | 6,677 | (650) | 544 | 64,814 | 403 | 151,788 |
| Profit for the period | - | - | - | - | 3,920 | 2 | 3,922 |
| Other Comprehensive income | - | - | - | 406 | - | - | 406 |
| Total comprehensive income for the period | - | - | - | 406 | 3,920 | 2 | 4,328 |
| Balance as at 31 March 2013 | 80,000 | 6,677 | (650) | 950 | 68,734 | 405 | 156,116 |

(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 2013 and the accompanying explanatory notes attached to the financial statements.)