



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

CONSOLIDATED FINANCIAL RESULTS AND NOTES
2nd QUARTER ENDED 30 JUNE 2014

Condensed Consolidated Income Statement for the quarter ended 30 June 2014

(The figures presented here have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year</u> <u>Quarter</u> <u>30 JUN 2014</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>30 JUN 2013</u> RM'000	<u>Current</u> <u>Year</u> <u>To Date</u> <u>30 JUN 2014</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>30 JUN 2013</u> RM'000
Revenue	56,477	54,850	114,552	121,105
Operating expenses	(55,201)	(51,536)	(110,328)	(112,996)
Other operating income	1,119	469	2,023	1,774
Profit from operations	<u>2,395</u>	<u>3,783</u>	<u>6,247</u>	<u>9,883</u>
Interest income	669	484	1,224	880
Finance costs	(1,067)	(950)	(2,061)	(2,002)
Profit before tax	<u>1,997</u>	<u>3,317</u>	<u>5,410</u>	<u>8,761</u>
Income tax expense	(630)	(1,128)	(1,667)	(2,650)
Profit for the period	<u><u>1,367</u></u>	<u><u>2,189</u></u>	<u><u>3,743</u></u>	<u><u>6,111</u></u>
Profit attributed to:				
Equity holders of the parent	1,366	2,188	3,742	6,108
Non-controlling Interests	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
	<u><u>1,367</u></u>	<u><u>2,189</u></u>	<u><u>3,743</u></u>	<u><u>6,111</u></u>
Earnings per share attributable to equity holders of the parent:				
EPS - Basic (sen)	<u>0.86</u>	<u>1.38</u>	<u>2.36</u>	<u>3.85</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 30 June 2014

(The figures presented here have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 30 JUN 2014 RM'000	Preceding Year Corresponding Quarter 30 JUN 2013 RM'000	Current Year To Date 30 JUN 2014 RM'000	Preceding Year Corresponding Period 30 JUN 2013 RM'000
Profit for the period	1,367	2,189	3,743	6,111
Other Comprehensive income				
- Foreign currency translation differences for foreign operations	(413)	688	(333)	1,094
Total comprehensive income for the period	<u>954</u>	<u>2,877</u>	<u>3,410</u>	<u>7,205</u>
Total comprehensive income attributable to:				
Equity holders of the parent	953	2,876	3,409	7,202
Non-controlling Interests	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
	<u>954</u>	<u>2,877</u>	<u>3,410</u>	<u>7,205</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 30 June 2014

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

	As At End Of Current Quarter 30 JUN 2014 RM'000	(Audited) Preceding Financial Year-Ended 31 DEC 2013 RM'000
Non-Current Assets		
Property, plant and equipment	47,053	49,292
Other investments	16,812	16,812
	<u>63,865</u>	<u>66,104</u>
Current Assets		
Non-current assets held for sales	2,247	18,417
Inventories	41,948	42,521
Trade receivables	38,569	49,371
Other receivables, deposits and prepayments	4,528	3,022
Tax recoverable	910	1,910
Fixed deposits with licensed banks	41,404	47,937
Cash and bank balances	63,961	45,686
	<u>193,567</u>	<u>208,864</u>
TOTAL ASSETS	<u>257,432</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	2,125	2,458
Retained profits	74,539	70,797
	<u>162,691</u>	<u>159,282</u>
Non-controlling interests	406	405
Total equity	<u>163,097</u>	<u>159,687</u>
Non-Current Liabilities		
Borrowings	20,589	33,211
Deferred taxation	3,242	3,243
	<u>23,831</u>	<u>36,454</u>
Current Liabilities		
Trade payables	4,677	5,925
Other payables	10,022	8,588
Amount owing to directors	297	198
Short term borrowings	54,527	62,721
Taxation	981	1,395
	<u>70,504</u>	<u>78,827</u>
Total Liabilities	<u>94,335</u>	<u>115,281</u>
TOTAL EQUITY AND LIABILITIES	<u>257,432</u>	<u>274,968</u>
Net Asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.03</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 30 June 2014

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

	Cumulative Current Year 30 JUN 2014 RM'000	Cumulative Preceding Year 30 JUN 2013 RM'000
Cash flows from operating activities		
Profit before tax	5,410	8,761
Adjustments for:		
Depreciation of property, plant and equipment	2,627	2,847
Gain on disposal of investment property	-	(988)
Gain on disposal of property, plant and equipment	(16)	(120)
Impairment on inventories	6	-
Impairment on trade receivables	-	45
Interest expense	2,061	2,002
Interest income	(1,224)	(880)
Property, plant and equipment written off	1	-
Reversal of impairment on slow moving inventories	-	(41)
Reversal of impairment on trade receivables	(180)	(8)
Operating profit before working capital changes	<u>8,685</u>	<u>11,618</u>
(Increase)/Decrease in working capital:		
Inventories	567	(1,152)
Trade and other receivables	9,476	4,802
Trade and other payables	784	(3,991)
Amount owing to directors	99	99
Cash generated from operations	<u>19,611</u>	<u>11,376</u>
Interest received	1,224	880
Interest paid	(2,061)	(2,002)
Income tax refunded	-	122
Income tax paid	(1,807)	(1,267)
Net cash from operating activities	<u>16,967</u>	<u>9,109</u>
Cash flows from investing activities		
Proceeds from disposal of non-current assets held for sales	16,170	2,550
Proceeds from disposal of property, plant and equipment	16	257
Purchase of property, plant and equipment	(262)	(1,022)
Acquisition of other investments	-	(16,799)
Net cash from (used in) investing activities	<u>15,924</u>	<u>(15,014)</u>

Condensed Consolidated Statement of Cash Flows as at 30 June 2014

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

	Cumulative Current Year 30 JUN 2014 RM'000	Cumulative Preceding Year 30 JUN 2013 RM'000
Cash flows from financing activities		
Net (repayment)/drawdown of bank borrowings	(20,816)	18,443
Net cash (used in) from financing activities	<u>(20,816)</u>	<u>18,443</u>
Net increase in cash and cash equivalents	12,075	12,538
Effect of exchange rate fluctuations on cash held	(333)	1,094
Cash and cash equivalents at beginning of financial year	93,623	81,426
Cash and cash equivalents at end of financial period	<u>105,365</u>	<u>95,058</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	41,404	42,097
Cash and bank balances	63,961	52,961
	<u>105,365</u>	<u>95,058</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 30 June 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	-	-	-	-	3,742	1	3,743
Other Comprehensive income	-	-	-	(333)	-	-	(333)
Total comprehensive income for the period	-	-	-	(333)	3,742	1	3,410
Balance as at 30 June 2014	80,000	6,677	(650)	2,125	74,539	406	163,097
Balance as at 1 January 2013	80,000	6,677	(650)	544	64,814	403	151,788
Profit for the period	-	-	-	-	6,108	3	6,111
Other Comprehensive income	-	-	-	1,094	-	-	1,094
Total comprehensive income for the period	-	-	-	1,094	6,108	3	7,205
Balance as at 30 June 2013	80,000	6,677	(650)	1,638	70,922	406	158,993

(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.)