



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

**CONSOLIDATED FINANCIAL RESULTS AND NOTES**  
**4th QUARTER ENDED 31 DECEMBER 2018**

**Condensed Consolidated Income Statement for the quarter ended 31 December 2018**

(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 2018</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31 Dec 2017</u> RM'000	<u>Current</u> <u>Year</u> <u>To Date</u> <u>31 Dec 2018</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31 Dec 2017</u> RM'000
Revenue	71,113	73,711	260,325	275,225
Cost of sales	(62,775)	(64,047)	(226,998)	(239,697)
Gross profit	8,338	9,664	33,327	35,528
Other income	1,247	985	4,612	3,941
Marketing and distribution expenses	(864)	(736)	(2,019)	(2,885)
Administration expenses	(6,627)	(7,044)	(20,913)	(22,354)
Operating profit	2,094	2,869	15,007	14,230
Interest income	1,249	1,107	3,610	3,869
Finance costs	(732)	(648)	(2,639)	(2,646)
Profit before tax	2,611	3,328	15,978	15,453
Income tax expense	(772)	(1,716)	(5,583)	(4,896)
Profit for the period	1,839	1,612	10,395	10,557
Profit attributed to:				
Equity holders of the parent	1,839	1,612	10,395	10,557
	1,839	1,612	10,395	10,557
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	1.16	1.02	6.56	6.66
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)

**Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 December 2018**

(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 2018</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31 Dec 2017</u> RM'000	<u>Current</u> <u>Year</u> <u>To Date</u> <u>31 Dec 2018</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31 Dec 2017</u> RM'000
Profit for the period	1,839	1,612	10,395	10,557
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<u>1,839</u>	<u>1,612</u>	<u>10,395</u>	<u>10,557</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>1,839</u>	<u>1,612</u>	<u>10,395</u>	<u>10,557</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 fourth financial quarter ended 31 December 2018

Condensed Consolidated Statement of Financial Position as at 31 December 2018

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

	As At End Of Current Quarter 31 Dec 2018 RM'000	(Audited) Preceding Financial Year-Ended 31 DEC 2017 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	32,880	36,254
Investment property	9,290	7,903
Other investments	31	88
	42,201	44,245
<b>Current Assets</b>		
Inventories	50,741	45,075
Trade receivables	56,719	60,244
Other receivables, deposits and prepayments	5,991	3,265
Fixed deposits with licensed banks	75,074	58,445
Cash and bank balances	45,419	52,512
	233,944	219,541
<b>TOTAL ASSETS</b>	276,145	263,786
<b>Equity</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	86,677	86,677
Treasury shares	(650)	(650)
Retained profits	103,915	100,293
<b>Total equity</b>	189,942	186,320
<b>Non-Current Liabilities</b>		
Borrowings	7,555	10,156
Deferred taxation	1,945	2,078
	9,500	12,234
<b>Current Liabilities</b>		
Trade payables	8,474	7,928
Other payables	8,750	9,857
Short term borrowings	58,939	46,895
Taxation	540	552
	76,703	65,232
<b>Total Liabilities</b>	86,203	77,466
<b>TOTAL EQUITY AND LIABILITIES</b>	276,145	263,786
<b>Net Asset per share attributable to ordinary equity holders of the parent (RM)</b>	1.20	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 31 December 2018**

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

	Cumulative Current Year 31 Dec 2018 RM'000	Cumulative Preceding Year 31 Dec 2017 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	15,978	15,453
Adjustments for:		
Bad debt written off	135	31
Depreciation of property, plant and equipment	4,048	4,535
Gain on disposal of property, plant and equipment	-	(396)
Gain on disposal of other investments	-	(41)
Impairment loss on investment	57	-
Impairment on trade receivables	1,099	328
Impairment on other receivables	1	-
Provision for expected credit - (gain)	(430)	-
Interest expense	2,639	2,646
Interest income	(3,610)	(3,869)
Reversal of impairment on trade receivables	(1,845)	(271)
Unrealised (gain) loss on foreign exchange	(207)	698
Operating profit before working capital changes	<u>17,865</u>	<u>19,114</u>
(Increase)/Decrease in working capital:		
Inventories	(5,667)	4,815
Trade and other receivables	1,617	12,123
Trade and other payables	(560)	(24,432)
Amount owing to directors	-	(198)
Cash generated from operations	<u>13,255</u>	<u>11,422</u>
Interest received	3,610	3,869
Interest paid	(2,639)	(2,646)
Income tax refunded	83	155
Income tax paid	(6,018)	(5,268)
<b>Net cash generated from operating activities</b>	<u>8,291</u>	<u>7,532</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	1	639
Proceeds from disposal of other investment	-	76
Purchase of investment properties	(1,387)	(2,541)
Purchase of property, plant and equipment	(675)	(2,361)
Acquisition of other investments	-	(76)
<b>Net cash used in investing activities</b>	<u>(2,061)</u>	<u>(4,263)</u>

**Condensed Consolidated Statement of Cash Flows for the quarter ended 31 December 2018**

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

	<b>Cumulative Current Year 31 Dec 2018 RM'000</b>	<b>(Audited) Cumulative Preceding Year 31 Dec 2017 RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(6,343)	(4,757)
Net repayment of bank borrowings	9,443	(2,922)
<b>Net cash used in financing activities</b>	<u>3,100</u>	<u>(7,679)</u>
Net increase (decrease) in cash and cash equivalents	9,330	(4,410)
Effect of exchange rate fluctuations on cash held	207	(698)
Cash and cash equivalents at beginning of financial year	110,956	116,065
Cash and cash equivalents at end of financial period	<u><b>120,493</b></u>	<u><b>110,957</b></u>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	75,074	58,445
Cash and bank balances	45,419	52,512
	<u><b>120,493</b></u>	<u><b>110,957</b></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 fourth financial quarter ended 31 December 2018

Condensed Consolidated Statement of Changes in Equity for the quarter ended 31 December 2018

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

	----- Attributable to Equity Holders of the Parent -----			
	Share Capital RM'000	Treasury Shares RM'000	Retained Profit RM'000	Total RM'000
<b>Balance as at 1 January 2018</b>	86,677	(650)	100,293	186,320
Profit for the period	-	-	10,395	10,395
Effects of adopting MFRS9	-	-	(430)	(430)
Total comprehensive income for the period	-	-	9,965	10,395
Dividends	-	-	(6,343)	(6,343)
<b>Balance as at 31 December 2018</b>	<b>86,677</b>	<b>(650)</b>	<b>103,915</b>	<b>189,942</b>
<b>Balance as at 1 January 2017</b>	86,677	(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)
<b>Balance as at 31 December 2017</b>	<b>86,677</b>	<b>(650)</b>	<b>100,293</b>	<b>186,320</b>

(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)