

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your shares in WZ Satu Berhad (*formerly known as WZ Steel Berhad*) ("WZ SATU" or the "Company"), you should at once hand this Abridged Prospectus, together with the Notice of Provisional Allotment ("NPA") and the Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue (as defined herein) should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This Abridged Prospectus, together with the NPA and the RSF, is not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. No action has been or will be taken to ensure that the Rights Issue complies with laws of any countries or jurisdictions other than the laws of Malaysia. The distribution of this Abridged Prospectus, together with the NPA and the RSF, may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions or in respect of certain persons under the relevant laws of those jurisdictions. This Abridged Prospectus, together with the NPA and the RSF, does not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it would be unlawful to make such an offer, solicitation or invitation. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Malaysia where shareholders may have their registered addresses, this Abridged Prospectus, together with the NPA and the RSF, has not been and will not be despatched to shareholders with a registered address outside Malaysia ("Foreign Shareholders"), unless they have provided an address in Malaysia for the service of this Abridged Prospectus, together with the NPA and the RSF, by the entitlement date as set out below. However, nothing shall preclude Foreign Shareholders from collecting this Abridged Prospectus, together with the NPA and the RSF, in person, at the office of our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to this Rights Issue. Our Company and Hong Leong Investment Bank Berhad ("HLIB") shall not accept any responsibility or liability in the event that any acceptance or renunciation made by the entitled shareholders and/or their renouncee(s) and/or their transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

Approval for this Rights Issue has been obtained from our shareholders at the Extraordinary General Meeting held on 25 March 2014. Approval has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") via its letter dated 24 February 2014 for the listing of and quotation for the Rights Shares (as defined herein) on the Main Market of Bursa Securities.

Admission to the Official List of Bursa Securities for the listing of and quotation for the Rights Shares are in no way reflective of the merits of the Rights Issue. Neither Bursa Securities nor the SC takes any responsibility for the correctness of statements made or opinions expressed herein.

Our Board of Directors ("Board") has seen and approved all the documentation relating to this Rights Issue including this Abridged Prospectus together with the NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted would make any statements in these documents false or misleading.

HLIB, being the Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 5 HEREIN.



WZ SATU BERHAD

永成壹 (formerly known as WZ Steel Berhad)

(Company No. 666098-X)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 55,000,000 NEW ORDINARY SHARES OF RM0.50 EACH IN WZ SATU ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.60 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.50 EACH IN WZ SATU HELD BY THE SHAREHOLDERS OF WZ SATU AS AT 5.00 P.M. ON 15 APRIL 2014

Adviser



Hong Leong Investment Bank Berhad (10209-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

IMPORTANT RELEVANT DATES AND TIMES:

Entitlement Date	:	Tuesday, 15 April 2014 at 5.00 p.m.
Last date and time for the sale of provisionally allotted Rights Shares	:	Tuesday, 22 April 2014 at 5.00 p.m.
Last date and time for the transfer of provisionally allotted Rights Shares	:	Friday, 25 April 2014 at 4.00 p.m.
Last date and time for acceptance and payment	:	Wednesday, 30 April 2014 at 5.00 p.m.*
Last date and time for excess application and payment	:	Wednesday, 30 April 2014 at 5.00 p.m.*

* or such later date and time as our Board and Adviser may decide and announce not less than 2 Market Days (as defined in this Abridged Prospectus) before the stipulated date and time.

This Abridged Prospectus is dated 15 April 2014

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS & SERVICES ACT 2007.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CAPITAL MARKETS & SERVICES ACT 2007 (SUCH AS OUR DIRECTORS AND ADVISERS) ARE RESPONSIBLE.

THE DISTRIBUTION OF THIS ABRIDGED PROSPECTUS TOGETHER WITH THE NPA AND RSF (COLLECTIVELY KNOWN AS THE "DOCUMENTS") IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

ALL TERMS USED ARE AS DEFINED IN THE "DEFINITIONS" PAGE OF THIS ABRIDGED PROSPECTUS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

"Act"	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
"Acquisition"	: Acquisition of 750,000 ordinary shares of RM1.00 each in KenKeong, representing 100% equity interest in KenKeong, for a total purchase consideration of RM27.50 million
"Board"	: Board of Directors of WZ SATU
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"CDS"	: A securities account established by Bursa Depository for a depositor for the recording of deposits and dealings in such securities by the depositor
"Code"	: Malaysian Code on Take-Overs and Mergers, 2010, as amended from time to time and any re-enactment thereof
"Corporate Exercises"	: The Rights Issue and the Acquisition, collectively
"Documents"	: This Abridged Prospectus and the accompanying NPA and RSF, collectively
"EGM"	: Extraordinary general meeting
"Entitled Shareholders"	: Shareholders whose names appear in our Record of Depositors on the Entitlement Date
"Entitlement Date"	: A date on which our shareholders must be registered in our Record of Depositors in order to be entitled to the Rights Issue, being 5.00 p.m. on Tuesday, 15 April 2014
"EPS"	: Earnings per share
"Excess Application"	: Applications for additional Rights Shares in excess of an Entitled Shareholder's entitlement under the Rights Issue as set out in Section 10.6 of this Abridged Prospectus
"Excess Rights Shares"	: Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable)
"Foreign Entitled Shareholders"	: Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date and having an address outside Malaysia as set out in Bursa Depository's records, which are entitled under the Rights Issue
"FPE"	: Financial period ended/ending, as the case may be
"FYE"	: Financial year ended/ending, as the case may be
"HLIB" or "Adviser"	: Hong Leong Investment Bank Berhad

DEFINITIONS

"IDR"	: Indonesian Rupiah
"KenKeong"	: KenKeong Sdn Bhd
"LAT"	: Loss after tax
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, as amended from time to time
"LPD"	: 25 March 2014, being the latest practicable date prior to the date of this Abridged Prospectus
"Market Day"	: Any day on which Bursa Securities is open for trading in securities
"Maximum Scenario"	: A scenario assuming the Rights Issue is undertaken on a full subscription level basis
"Minimum Scenario"	: A scenario assuming YM Tengku Dato' Uzir and Tan Ching Kee subscribe in full for their respective entitlements based on their direct shareholdings pursuant to the Undertakings amounting to 29,310,500 Rights Shares
"Minimum Subscription Level"	: The minimum subscription level of 28,810,500 Rights Shares pursuant to the Rights Issue
"NA"	: Net assets
"NPA"	: Notice of provisional allotment in relation to the Rights Issue
"PAT"	: Profit after tax
"PATMI"	: Profit after tax and minority interests
"PBT"	: Profit before tax
"Provisional Rights Shares"	: Rights Shares provisionally allotted to the Entitled Shareholders
"Record of Depositors"	: A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
"Rights Issue"	: Renounceable rights issue of up to 55,000,000 Rights Shares at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing WZ SATU Shares held by the Entitled Shareholders on the Entitlement Date
"Rights Shares"	: New WZ SATU Shares to be issued pursuant to the Rights Issue, and " Rights Share " shall be construed accordingly
"RM" and "sen"	: Ringgit Malaysia and sen respectively
"RSF"	: Rights subscription form in relation to the Rights Issue
"Rules of Bursa Depository"	: The rules of Bursa Depository as issued pursuant to the SICDA, as amended from time to time
"SC"	: Securities Commission Malaysia

DEFINITIONS

"Share Registrar"	: Tricor Investor Services Sdn Bhd
"SICDA"	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
"TERP"	: Theoretical ex-rights price
"Undertakings"	: Irrevocable and unconditional written undertakings from YM Tengku Dato' Uzir and Tan Ching Kee, being the major shareholders of our Company, to subscribe in full for their respective entitlements under the Rights Issue
"US"	: United States of America
"USD"	: United States Dollars
"WZ SATU"	: WZ Satu Berhad (<i>formerly known as WZ Steel Berhad</i>)
"WZ SATU Group"	: WZ SATU and our subsidiaries, collectively
"WZ SATU Shares"	: Ordinary shares of RM0.50 each in our Company
"YM Tengku Dato' Uzir"	: YM Tengku Dato' Uzir bin Tengku Dato' Ubaidillah

All references to **"our Company"** in this Abridged Prospectus are to WZ SATU, and references to **"our Group"** are to our Company and our subsidiaries. References to **"we"**, **"us"**, **"our"** and **"ourselves"** are to our Company and, where the context requires otherwise, our Group.

All references to **"you"** in this Abridged Prospectus are to our Entitled Shareholders and/or where the context otherwise requires, their renouncee(s) and/or transferee(s).

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day or date in this Abridged Prospectus shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

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CORPORATE DIRECTORY**OUR BOARD**

Name (Designation)	Address	Nationality	Age	Occupation
YM Tengku Dato' Uzir Bin Tengku Dato' Ubaidillah (Chairman/Chief Executive Officer)	No. 42, Jalan Medang Tanduk Bukit Bandaraya 59100 Kuala Lumpur	Malaysian	54	Company Director
Tan Ching Kee (Managing Director)	No. 11, Jalan Bayu 5 Bukit Gita Bayu Serdang 43300 Seri Kembangan Selangor Darul Ehsan	Malaysian	54	Company Director
Tan Teng Heng (Executive Director)	10-9-7 Tivoli Villas Jalan Medang Tanduk Bukit Bandaraya 59100 Kuala Lumpur	Malaysian	49	Company Director
Tan Chong Boon (Executive Director)	No. 18, Jalan SR 1/8 Taman Serdang Raya 43300 Seri Kembangan Selangor Darul Ehsan	Malaysian	48	Company Director
Dato' Ir. Mohd Ghazali Bin Kamaruzaman (Executive Director)	7-2, Jalan PJU 3/34 Sunway Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian	48	Company Director
Ng Chong Tin (Executive Director)	No. 22 Jalan BS 9/11 Serdang Hill Taman Bukit Serdang Seksyen 9 43300 Seri Kembangan Selangor Darul Ehsan	Malaysian	48	Company Director
Dato' Amin Rafie Bin Othman (Deputy Chairman/ Independent Non- Executive Director)	No. 40, Lorong SS 1/11A 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	54	Company Director
Dato' Siow Kim Lun (Independent Non- Executive Director)	No. 30, Jalan Setiajaya Bukit Damansara 50490 Kuala Lumpur	Malaysian	63	Company Director
Dato' Yeong Kok Hee (Independent Non- Executive Director)	No. 3, Jalan Tiara Bukit Tiara Taman Billion Cheras 56100 Kuala Lumpur	Malaysian	53	Company Director
Ong Teck Chuan (Independent Non- Executive Director)	No. 48, Jalan BU 6/13 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	57	Company Director

CORPORATE DIRECTORY

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Siow Kim Lun	Chairman	Independent Non-Executive Director
Dato' Yeong Kok Hee	Member	Independent Non-Executive Director
Ong Teck Chuan	Member	Independent Non-Executive Director

COMPANY SECRETARIES

- : Chua Siew Chuan (MAICSA 0777689)
No. 6, Jalan SS 14/8E
Subang Jaya
47500 Petaling Jaya
Selangor Darul Ehsan
- Pan Seng Wee (MAICSA 7034299)
11, Jalan Setia Impian U13/4N
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan

REGISTERED OFFICE

- : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
- Tel no: (603) 2084 9000
Fax no: (603) 2094 9940

CORPORATE OFFICE

- : Lot 1890, Jalan KPB 9
Kawasan Perindustrian Balakong
43300 Seri Kembangan
Selangor Darul Ehsan
- Tel no: (603) 8962 2228
Fax no: (603) 8962 2226
E-mail: wzsb@wengzheng.com
Website: www.wengzheng.com

AUDITORS AND REPORTING ACCOUNTANTS

- : Tai, Yapp & Co.
No 3-2, Jalan Indrahana 2
Off Jalan Kuchai Lama
58200 Kuala Lumpur
- Tel no: (603) 7983 0277
Fax no: (603) 7981 9912

SHARE REGISTRAR

- : Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
- Tel no: (603) 2264 3883
Fax no: (603) 2282 1886

CORPORATE DIRECTORY

- PRINCIPAL BANKERS** : Malayan Banking Berhad
Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
- Tel no: (603) 2070 8833
Fax no: (603) 2078 4988
- United Overseas Bank (Malaysia) Berhad
1st Floor, Bangunan UOB Medan Pasar
10-12, Medan Pasar
50050 Kuala Lumpur
- Tel no: (603) 2612 8121
Fax no: (603) 2072 2791
- SOLICITORS FOR THE RIGHTS
ISSUE** : Messrs Teh & Lee
A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1, Medan Syed Putra
59200 Kuala Lumpur
- Tel no: (603) 2283 2800
Fax no: (603) 2283 2500
- ADVISER** : Hong Leong Investment Bank Berhad
Level 23, Menara HLA
No. 3, Jalan Kia Peng
50450 Kuala Lumpur
- Tel no: (603) 2168 1168
Fax no: (603) 2164 8880
- STOCK EXCHANGE LISTED** : Main Market of Bursa Securities



W Z S A T U B E R H A D

م.ا.ش.و 永成壹

(formerly known as WZ Steel Berhad)

(Company No. 666098-X)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

15 April 2014

Board of Directors:

YM Tengku Dato' Uzir Bin Tengku Dato' Ubaidillah	(Chairman/Chief Executive Officer)
Tan Ching Kee	(Managing Director)
Tan Teng Heng	(Executive Director)
Tan Chong Boon	(Executive Director)
Dato' Ir. Mohd Ghazali Bin Kamaruzaman	(Executive Director)
Ng Chong Tin	(Executive Director)
Dato' Amin Rafie Bin Othman	(Deputy Chairman/Independent Non-Executive Director)
Dato' Siow Kim Lun	(Independent Non-Executive Director)
Dato' Yeong Kok Hee	(Independent Non-Executive Director)
Ong Teck Chuan	(Independent Non-Executive Director)

To: Our shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 55,000,000 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.60 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING WZ SATU SHARES HELD BY THE SHAREHOLDERS OF WZ SATU AS AT 5.00 P.M. ON 15 APRIL 2014

1. INTRODUCTION

On 10 January 2014, HLIB had announced, on behalf of our Board, that our Company proposed to undertake, *inter alia*, the Rights Issue.

Subsequently, on 24 February 2014, HLIB had announced, on behalf of our Board, that Bursa Securities had, via its letter dated 24 February 2014, given its approval for, *inter alia*, the listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue.

The approval of Bursa Securities is subject to, *inter alia*, the following conditions:

Conditions	Status of compliance
(i) Our Company and HLIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises;	Noted.
(ii) Our Company and HLIB to inform Bursa Securities upon the completion of the Corporate Exercises;	To be complied.
(iii) Our Company to furnish Bursa Securities with a written confirmation of its compliance with terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed; and	To be complied.
(iv) Our Company to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at an EGM for the Corporate Exercises.	Complied.

Our shareholders had, at our EGM held on 25 March 2014, approved, *inter alia*, the Rights Issue. A certified true extract of the ordinary resolution pertaining to the Rights Issue passed at the said EGM is set out in Appendix I of this Abridged Prospectus.

On 1 April 2014, HLIB announced on behalf of our Board that the Entitlement Date for the Rights Issue had been fixed at 5.00 p.m. on 15 April 2014.

The official listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) are ready for crediting and notices of allotment have been despatched to them.

No person is authorised to give any information or make any representation not contained in the Documents in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us and/or HLIB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. RIGHTS ISSUE AND OTHER CORPORATE EXERCISES

2.1 Details of the Rights Issue

The Rights Issue entails a provisional allotment of up to 55,000,000 Rights Shares to our Entitled Shareholders on the basis of 1 Rights Share for every 2 existing WZ SATU Shares subscribed for by our Entitled Shareholders on the Entitlement Date at the issue price of RM0.60 per Rights Share.

The Rights Issue is renounceable in full or in part. Accordingly, you can subscribe for and/or renounce and/or transfer your entitlements for the Rights Shares in full or in part.

Shareholders whose names appear in our Record of Depositors as at the Entitlement Date are entitled to participate in the Rights Issue. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

Any Rights Shares which are not taken up or not validly taken up shall be made available for excess applications by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) in the manner set out in Section 10.6 of this Abridged Prospectus.

Any fractional Rights Shares arising from the Rights Issue shall be disregarded and fractional entitlements of the Rights Shares which are not allotted or validly taken up for any reason will be aggregated and dealt with in such manner as our Board shall in their absolute discretion deem fit or expedient and in the best interest of our Company.

Any dealings in the Rights Shares, which are prescribed securities under the CDS, will be subject to the provisions of the SICDA and the Rules of Bursa Depository. Accordingly, upon allotment and issuance by our Company, the Rights Shares will be credited directly into your and/or your renouncee(s)' and/or transferee(s)' respective CDS accounts. No physical certificates will be issued to you and/or your renouncee(s) and/or transferee(s).

As an Entitled Shareholder, you will find enclosed with this Abridged Prospectus an NPA setting out the number of Provisional Rights Shares which you are entitled to subscribe for and an RSF which is to be used for the acceptance of the Provisional Rights Shares and for the Excess Application, should you wish to do so.

YOU SHOULD READ THIS ABRIDGED PROSPECTUS IN ITS ENTIRETY BEFORE MAKING A DECISION.

2.2 Basis of determining the issue price of the Rights Share

The issue price of RM0.60 per Rights Share has been determined by our Board after taking into consideration, amongst others, the following:

- (i) the funding requirements of our Group;
- (ii) prevailing share price of our Company; and
- (iii) par value of WZ SATU Shares of RM0.50 each.

The issue price of RM0.60 per Rights Share represents a discount of approximately 27.71% to the TERP of WZ SATU Shares of RM0.83, based on the five (5)-day volume-weighted average market price of WZ SATU Shares up to and including 9 January 2014, being the last trading day immediately preceding 10 January 2014, being the price-fixing date and the date of announcement of the Rights Issue, of RM0.94.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing WZ SATU Shares, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which precedes the date of allotment and issue of the Rights Shares.

2.4 Details of other corporate exercises

In conjunction with the Rights Issue, on 10 January 2014, HLIB had, on behalf of our Company, announced *inter alia* that our Company had entered into a conditional share sale agreement with Dato' William Tan Chee Keong, Choi Chee Ken, Ho Kek Yee and Rada Krishnan a/l Sankaran Nair for the acquisition of 750,000 ordinary shares of RM1.00 each, representing 100% equity interest in KenKeong, for a total purchase consideration of RM27.50 million, which would result in a diversification in the existing core business of our Group to include civil engineering and construction.

The total purchase consideration of RM27.50 million will be satisfied in cash amounting to approximately RM7.25 million, with the balance of approximately RM20.25 million satisfied via the issuance of 25,000,000 new WZ SATU Shares at an issue price of RM0.81 per WZ SATU Share. Accordingly, the Acquisition will lead to the dilution of our existing shareholders' shareholdings.

Save for the Corporate Exercises, we do not have any other corporate exercises which have been approved by our shareholders and/or the regulatory authorities but not yet completed as at the LPD.

3. UTILISATION OF PROCEEDS

The actual gross proceeds to be raised from the Rights Issue will depend on the total number of Rights Shares issued.

Based on the issue price of RM0.60 per Rights Share, the Rights Issue will raise gross proceeds of up to RM33.00 million. Taking into consideration the Undertakings, the proceeds from the Rights Issue under the Minimum Scenario and Maximum Scenario are expected to be utilised in the following manner:

Details of utilisation	Minimum Scenario (RM '000)	Maximum Scenario (RM '000)	Expected timeframe for utilisation from the date of listing of the Rights Shares
(i) Repayment of existing bank borrowings	10,000	20,000	Within 12 months
(ii) Working capital	6,486	11,900	Within 12 months
(iii) Estimated expenses for the Corporate Exercises	1,100	1,100	Within 1 month
	<u>(1) 17,586</u>	<u>(2) 33,000</u>	

Notes:

- (1) Assuming YM Tengku Dato' Uzir and Tan Ching Kee subscribe for their respective entitlements of 29,310,500 Rights Shares in full pursuant to the Undertakings as set out in Section 8 of this Abridged Prospectus.
- (2) Assuming all Entitled Shareholders subscribe in full for the 55,000,000 Rights Shares available under the Rights Issue.

The details of the utilisation of proceeds are as follows:

(i) Repayment of existing bank borrowings

As at the LPD, the total borrowings of our Group stood at approximately RM35.09 million. Our Company intends to utilise between RM10.00 million and RM20.00 million of the proceeds raised from the Rights Issue to repay part of our Group's existing bank borrowings. The settlement of outstanding bank borrowings is expected to result in an annual interest savings of approximately between RM0.60 million and RM1.20 million (based on an interest rate of 6% per annum). Any excess/shortfall in the actual amount utilised for repayment of the existing bank borrowings will be adjusted for working capital purposes.

(ii) Working capital

Our Company intends to use part of the proceeds raised from the Rights Issue for general working capital purposes of our Group, including but not limited to payment of existing trade and other payables, employees and marketing expenses and other day-to-day expenses, as we expect the operating expenditure of our Group to increase in line with the growth of our business. The breakdown of proceeds to be utilised for each component of working capital has not been determined at this juncture. Moreover, the actual amount to be utilised by each component of working capital may differ subject to the operating requirements at the time of utilisation.

(iii) Estimated expenses for the Corporate Exercises

The estimated expenses relating to the Corporate Exercises comprise the professional fees, fees payable to the relevant authorities, expenses to convene our EGM, printing, advertisement and other ancillary expenses. If the actual expenses incurred are higher/lower than budgeted, the deficit/surplus will be funded from/contributed to the portion allocated for working capital purposes.

4. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue is undertaken with the following objectives:

- (i) allow our Company to raise funds for its working capital requirements without incurring interest cost as well as to minimise any potential cash outflow in respect of interest servicing, as compared to other means of financing such as bank borrowing or issuance of debt instruments;
- (ii) will not dilute your equity interest, assuming all the existing shareholders fully subscribe for their respective entitlements;
- (iii) improve liquidity and financial flexibility as well as to optimise our Company's capital structure by strengthening its balance sheet;
- (iv) allow our Group to raise funds through the offering of equity securities to you on a pro-rata basis; and
- (v) provide you with an opportunity to subscribe for new WZ SATU Shares at a discount to the prevailing market price.

5. RISK FACTORS

You should carefully consider, in addition to other information contained in this Abridged Prospectus, the following key risk factors before subscribing for or investing in the Rights Issue. There may be additional risk factors, which are not disclosed below, which are not presently known to us or which we currently deem to be less significant, which may materially and adversely affect our business, financial condition, operating results and prospects in the future.

5.1 Risk relating to our business

5.1.1 Competition risk

Our steel manufacturing and trading business is required to maintain certain stock levels as part of our operations. In the event we are not competitive, demand for our stocked items may decline resulting in an inventory build-up which will affect our cash flow and profitability due to the associated logistics and warehousing costs. Although we have established our presence in Malaysia by selling directly to end users and through agents, there is no assurance that our business model employed will be successful or continue to be successful.

Upon completion of the Acquisition, we will face competition from other listed and non-listed companies operating in the same business as our civil engineering and construction business. Intense competition may result in highly competitive pricing in securing a contract, which may subsequently affect our financial performance. No assurance can be given that we will be able to compete effectively with current and new entrants into the civil engineering and construction business in the future.

5.1.2 Risk of increase in the price of electricity

As the Government of Malaysia had consented to an increase of approximately 17% in the average electricity tariff for industrial users beginning 1 January 2014, our Board envisages that this hike may adversely affect our operating results for the FPE 31 August 2014¹. Notwithstanding the foregoing, any further increase in the cost of electricity may have a further adverse impact on our operating results. There is a risk that the price of electricity supplied to end-users in Malaysia (including our Group) may increase further in line with the increase in the price of crude oil.

We are dependent solely on the national power supplier, Tenaga Nasional Berhad, to meet our daily electricity needs for our steel production. While there had been no material interruptions to our electricity supply to date, we cannot guarantee that the supply of electricity to our production facilities will not be subject to interruptions that may adversely affect our operating results in the future.

5.1.3 Risk of increase in cost of operations

Our Group uses hot rolled wire rods as the main feedstock for the production of cold drawn bright steel. Purchases of hot rolled wire rods accounted for 38% and 46% of our total purchases for the FYE 30 April 2012 and the FYE 30 April 2013 respectively. Accordingly, any increase in the price of hot rolled wire rods may have an adverse impact on our operating results.

In addition, any increase in labour, sub-contractor costs, overheads and other cost of operations may result in lower margins, culminating in a need to increase prices of our products and services. Any material increase in the aforesaid costs may have an adverse impact on our profit margins as there may be a delay in passing on these additional costs by increasing the prices of our products. However, our Board is of the view that our Group is likely to be able to pass on these costs to our customers eventually.

5.1.4 Anti-dumping duty

The Government of Malaysia had imposed anti-dumping duties on the import of steel wire rods from selected companies in China, Taiwan, South Korea and Indonesia. These anti-dumping duties are also applicable to the hot rolled wire rods that we import from Taiwan. Accordingly, any further increase in anti-dumping duties by the Government of Malaysia may correspondingly increase the price of hot rolled wire rods which may have an adverse impact on our operating results.

¹ Our Company had announced on 10 January 2014 that our financial year end will be changed from the FYE 30 April 2014 to the sixteen (16)-month FPE 31 August 2014.

Notwithstanding the above, our management will continually source for the most cost effective supply of hot rolled wire rods consistent with our past business practices. In any event, our Board is of the view that our Group is likely to be able to pass on the impact of additional anti-dumping duties, if any, to our customers as they have to agree to bear these additional costs at the time of purchase, which will serve to mitigate this risk.

5.1.5 Dependence on key management and personnel

The performance and success of our Group depends to a significant extent on the skills, abilities, experience and competencies of our Directors and key management personnel. There can be no assurance that the loss of any of these persons without suitable and timely replacement would not affect the operations and financial performance of our business, financial conditions, results of operations and prospects.

In order to mitigate the risk, our Group has in place efforts to incorporate effective human resource management and development which includes competitive remuneration packages as well as training and personnel development programmes to attract and retain qualified and competent staff.

5.1.6 Dependence on operating licenses

We have been granted various licenses, certificates and permits from authorities, some of which are subject to periodic renewals, for our steel manufacturing and trading business as well as the civil engineering and construction business via KenKeong, which our Group will be substantially involved in upon completion of the Acquisition. There can be no assurance that our licenses, certificates and permits from authorities will not be revoked or suspended prior to their expirations. There can also be no assurance that we will be able to renew such licenses, certificates and permits from authorities and no assurance that we are able to obtain renewals without more onerous conditions attached. Any revocation or non-renewal of our licenses, certificates and permits from authorities or failure by us to obtain new licenses, certificates and permits from authorities (if so required) will have a material impact on our ability to continue our operations and hence will affect our profitability.

5.1.7 Risk of equipment failure and catastrophic events

Our manufacturing of cold drawn bright steel is conducted at our manufacturing plant in Balakong, Selangor. Our manufacturing processes are dependent upon critical equipment including combined continuous drawing machines, which is used to produce the cold drawn bright steel, as well as electrical equipment such as transformers. These equipment may be rendered inoperable or damaged due to accidents and incidents beyond our control. In addition, our facilities may also be subject to the risk of catastrophic loss due to *force majeure* events such as fires or floods.

Any prolonged suspension of our production or damage to our facilities arising from unexpected failures, catastrophic events or similar events may affect our production schedules resulting in protracted business interruption periods as we do not have any alternative manufacturing facilities. This could have a material adverse impact on our Group's financial performance.

5.1.8 Adequacy of insurance

We have taken the necessary measures to ensure that all material assets are adequately covered by insurance in accordance with standard industry practice. However, there can be no assurance that the coverage would be adequate for the replacement cost of the assets. Any losses or liabilities that are not covered by our standard insurance plan may have a material adverse effect on our business, financial condition and results of our operations.

5.1.9 Political, economic and regulatory considerations

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial position and prospects of our business. In view of our Group's venture into the Indonesian market via our Indonesian subsidiary, our business will also depend, to a certain extent, on the developments in the political, economic and regulatory front in Indonesia. Amongst the political, economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introduction of new rules or regulation affecting the steel, civil engineering and construction industries, changes in interest rates, inflation, taxation method, general employment outlook and political leadership.

In mitigating such risks, our Group will continue to review its business development strategies in response to the changes in political, monetary, fiscal and economic conditions. Nonetheless, no assurance can be given that any change to these factors would not have any material adverse impact on our Group's business in the future.

5.1.10 Interest rate risk

As at the LPD, the total borrowings of our Group stood at approximately RM35.09 million. Our Group currently utilises the borrowings primarily for working capital purposes. Significant fluctuations in interest rates could impact the financial performance of our Group. Any increase in the interest rates will increase the burden of our Group with respect to interest payments of the borrowings, depending on the total outstanding borrowings at that point in time.

Our Board is of the opinion that, after taking into consideration the cash to be generated by our Group, credit facilities available as well as the net proceeds from the Rights Issue, our Group will have sufficient working capital for its current and immediate requirements and are expected to be more than adequate to meet the repayment terms of our outstanding banking facilities and term loans. However, there can be no assurance that the performance of our Group will not be adversely affected in the event of any increase in the interest rates and/or financing charges.

5.1.11 Foreign exchange risk

For the FYE 30 April 2013, approximately 94% of our Group's revenue is generated domestically, whilst the remaining contribution came from sales to foreign customers and are primarily denominated in USD. Notwithstanding that our subsidiary in Indonesia, PT WZ Steel, is expected to commence operations in the first half of this year, our Group's exposure to foreign exchange risk is currently limited to our investment in PT WZ Steel and is minimal.

Nonetheless, our management will constantly monitor our Group's foreign currency exposure and review our Group's need to hedge. If the foreign currency exposure becomes substantial, our Group may consider hedging our position.

5.2 Risks relating to the Rights Issue

5.2.1 Market price for the WZ SATU Shares

A variety of factors could cause the prices of WZ SATU Shares to fluctuate, including announcements of developments relating to our Group's business, fluctuations in our operating/financial results or revenue levels and change in regulatory requirements or market conditions. In addition, external factors such as economic, political and industry conditions, volatility of equity markets, movements in interest rates and prevailing market sentiments/liquidity could also adversely affect the prices of WZ SATU Shares. There can be no assurance that the market price of the Rights Shares will be traded above the TERP after the completion of the Rights Issue.

5.2.2 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to the risk that it may be delayed or aborted on the occurrence of any one or more of the following events:

- (i) *force majeure* events or material adverse change of events/circumstances which are beyond the control of our Company arising prior or during the implementation of the Rights Issue; and/or
- (ii) YM Tengku Dato' Uzir and/or Tan Ching Kee may not fulfill or be able to fulfill their Undertakings to subscribe in full for their entitlements under the Rights Issue as at the Entitlement Date as set out in Section 8 of this Abridged Prospectus.

Notwithstanding the risks, we will exercise our best endeavours to ensure that the Rights Issue is successfully implemented. However, there can be no assurance that the above events will not occur, and cause the delay or abortion of the Rights Issue. In the event the Rights Issue is aborted, all the subscription/application monies for the Rights Issue will be refunded without interest to the subscribing Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable).

In the event that the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) and the Rights Issue is subsequently aborted or terminated, a return of subscription monies to all holders of the Rights Shares would only be achievable by way of cancellation of our share capital as provided for under the Act and its related rules. Such cancellation requires the sanction of our shareholders by way of a special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaysia) and the confirmation of the High Court of Malaysia. In such an event, there can be no assurance that such monies can be removed within a short period of time or at all.

5.2.3 Capital market risk

The performance of our local bourse is affected by a number of factors, amongst them are the general economic climate of Malaysia, the Southeast Asia region and the rest of the world, the performance of the global capital markets and investors' sentiments. These factors contribute to the volatility of trading volumes on Bursa Securities.

5.3 Forward-looking statements

This Abridged Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Abridged Prospectus, including without limitation, those regarding our financial position, business strategies, plans and objectives of our management for our future operations, are forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, *inter-alia*, general economic and business conditions, competitions, the impact of new laws and regulations affecting us and the industries we operate in, changes in interest rates and changes in foreign exchange rates.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by us or our Adviser that such plans and objectives will be achieved.

6. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

6.1 The Malaysian economy

The Malaysian economy registered real gross domestic product ("**GDP**") growth of 4.2% during the first half of 2013. Gross exports recorded a negative growth of 3.8% during the first half of 2013 amid uncertainty over the strength of China's economic growth and the possible tapering of the quantitative easing ("**QE**") programme in the US. Nevertheless, strong domestic demand was able to cushion the negative impact from the external sector. The economy registered real GDP growth of 4.2% during the period.

During the third quarter of 2013, key economic indicators signalled to better near-term prospects and firmer growth in the US, euro zone and Japan. The prospects of stronger recovery in advanced economies coupled with a moderate, but steady GDP growth in China, are expected to create a positive outlook for Malaysia's exports.

(Source: Economic Report 2013/2014, Ministry of Finance)

The Malaysian economy expanded further by 5.1% during the fourth quarter of 2013 (Q3 2013: 5%), supported largely by domestic activities as well as the better performance in trade and export-oriented subsectors.

Domestic demand expanded 6.4% in the fourth quarter of 2013 (Q3 2013: 8.3%) underpinned by strong private consumption and investment activities. Private consumption increased 7.3% (Q3 2013: 8.2%) buoyed by steady income growth from stable labour market conditions and a strong stock market performance.

Private investment registered a double-digit growth of 16.5% in the fourth quarter of 2013 (Q3 2013: 15.2%) underpinned by capital spending in the residential and non-residential subsectors. Major investment indicators, such as loan disbursements and imports of intermediate goods, continued to record strong growth of 10.6% and 10.5%, respectively (Q3 2013: 4.5%; 4%). However, public investment contracted 2.7% (Q3 2013: -1.3%) due to lower Federal Government development expenditure and a moderation in capital spending by non-financial public enterprises.

Global growth prospects are expected to improve in 2014. In advanced economies, the drag on growth from fiscal consolidation and policy uncertainty is expected to ease. Growth in emerging markets and developing economies is expected to strengthen as external demand from advanced economies improves. However, downside risks remain as the US Federal Reserve's QE measures could lead to more volatile international financial markets.

On the domestic front, the Malaysian economy is expected to register a steady growth of 5% – 5.5% in 2014. Growth will be supported by strong domestic demand and recovery in exports. Private sector activity is expected to remain robust supported by sustained investment, particularly in the manufacturing and services sectors. Private consumption is expected to remain resilient amid increased household income and a stable employment outlook.

(Source: Malaysian Economy, Fourth Quarter 2013, Ministry of Finance)

6.2 Outlook of the steel industry

Preliminary data gathered by the South East Asia Iron and Steel Institute shows that apparent steel consumption among members of the Association of Southeast Asian Nations ("**ASEAN**") in 2013 is likely to have recorded a healthy growth rate of between 8% and 10%. Steel production is likely to have increased by 6% to 7% while imports jumped 8% and 10%. Exports, on the other hand, remained relatively unchanged from the preceding year.

Among the ASEAN countries, the Philippines is expected to have registered the highest growth rate in steel consumption in 2013, possibly exceeding 16% as compared to the preceding year. The surge was mainly a result of the significant growth in long steel demand in the country. Demand for flat products, on the other hand, declined significantly. Both domestic steel production and imports are expected to enjoy double digits growth while exports were negligible.

Indonesia is likely to have registered the lowest growth rate in steel demand in the region in 2013 at approximately 7% as compared to the preceding year. Demand for long steel in the country is likely to surge by 15% to 18% in 2013, while flat steel demand declined moderately. The production of finished steel is expected to have increased significantly, a double digit growth rate, while imports declined sharply. Exports have also dropped in the same period.

While the global economy continues to recover from the crisis, albeit slowly, and global steel demand continues to expand, the difficult environment under which steel companies have been operating in the recent years is not expected to ease in the near-term. Going forward, the steel industry will still need to confront its two key challenges i.e. severe excess global production capacity and volatility and uncertainty in raw material prices. These two factors are expected to continue to weigh heavily on steel prices and operating margins.

(Source: SEAISI Newsletters, December 2013 and February 2014, South East Asia Iron and Steel Institute)

Notwithstanding the developments in the regional steel industry, the on-going construction activities in Malaysia, especially key infrastructure projects under the Economic Transformation Programme ("ETP") are expected to continue to drive domestic steel demand growth as products from the steel industry play a key role in supporting the construction industry.

6.3 Outlook of the construction industry

In the first half of 2013, the value-added of the construction sector grew 12% (January – June 2012: 18.5%), attributed to ongoing civil engineering and residential activities. The civil engineering subsector expanded 21.5% (January – June 2012: 27.5%), bolstered by the ongoing implementation of infrastructure projects and corridor development including the Besraya Eastern Extension, Seremban – Gemas – Johor electrified double-tracking project and extension of Kelana Jaya and Ampang light rail transit lines, Express Rail Link from KLIA to KLIA2, as well as by the ETP projects, namely Tanjung Bin and Manjung coal-power plants and Kimanis and Lahad Datu power plants. The residential subsector expanded 15.7% (January – June 2012: 22%), supported by strong demand and reflected in higher construction activities, with Klang Valley and Johor accounting for 31% and 23.1% of housing starts for the 6-month period ended June 2013. In the non-residential subsector, construction activity was subdued and declined 1% (January – June 2012: 12.8%) as reflected in the lower incoming supply, particularly in the purpose-built office and shopping complex segments.

(Source: Economic Report 2013/2014, Ministry of Finance)

The growth momentum of construction activity remained steady at 9.7% for the fourth quarter of 2014 (Q3 2013: 10.1%) driven by residential and non-residential activities. Growth of the residential and non-residential subsectors increased 15.5% and 15.1%, respectively (Q3 2013: 21.2%; 8.1%) in tandem with higher housing and commercial construction activities. Meanwhile, the civil engineering subsector saw a slower growth of 1.2% (Q3 2013: 4.4%) partly due to the completion of some large projects, including oil-related and transportation infrastructure projects.

(Source: Malaysian Economy, Fourth Quarter 2013, Ministry of Finance)

Growth in the construction sector is projected to increase at a moderate pace of 9.6% in 2014 (2013: 10.6%) due to slower construction activity in the civil engineering subsector following the completion of several major infrastructure projects. However, the acceleration in implementation of transport and oil and gas related civil engineering projects are expected to continue to support growth. Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. This is expected to be supported by the accelerated implementation of the 1Malaysia Housing Programme to meet the target of providing 80,000 units of houses for the middle-income group by 2015. Activity in the non-residential subsector is expected to remain stable, albeit at a moderate pace, supported by buoyant business and industrial activities as well as improved consumer sentiment.

(Source: Economic Report 2013/2014, Ministry of Finance)

6.4 Prospects of our Group

Upon completion of the Acquisition, our Group's operations would comprise three (3) distinct segments which are our existing steel manufacturing business, our existing steel trading business as well as our new civil engineering and construction business via KenKeong.

For our steel manufacturing and trading business, our Group expects the market in the steel industry to remain competitive and challenging in view of the continuing weak global economic growth as well as the developments highlighted above. Despite the uncertainty in the outlook of the steel industry, our Group will continue to emphasise operational and cost efficiencies in order to achieve satisfactory performance for the current financial year. In addition, our Group has taken steps to establish our presence in Indonesia via our wholly-owned subsidiary, PT WZ Steel. Our Group expects PT WZ Steel's production factory in West Java, Indonesia, to commence manufacturing of cold drawn bright steel within the first half of 2014. Through PT WZ Steel, we expect to tap into potential growing market in Indonesia and we are cautiously optimistic that our Indonesian manufacturing operations will contribute positively to the performance of our Group.

As for our civil engineering and construction business, the outlook of the construction industry is expected to be favourable in light of the growth in Malaysia's economy as well as the accelerated implementation of transport and oil and gas-related civil engineering projects. Initiatives by the Malaysian government in the residential subsector as well as the continued growth in the non-residential subsector should augur well for our prospects in the construction business. As at the LPD, KenKeong has an order book of RM79.32 million, and is presently involved in major infrastructure and specialist projects. In addition to the construction projects as set out above, KenKeong has tendered for new construction projects of approximately RM750.00 million in value as at the LPD. Going forward, our Board envisages that the initiatives of the Malaysian government through the ETP will provide our enlarged Group with the opportunity to establish our presence in the construction business.

Premised on the above, our Board is optimistic that the Rights Issue would contribute positively to the growth of our Group and enhance our shareholders' value in the medium to long term.

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7. EFFECTS OF THE CORPORATE EXERCISES

The pro forma effects of the Corporate Exercises assuming the Minimum Scenario and Maximum Scenario are set out below:

7.1 Issued and paid-up share capital

The pro forma effects of the Corporate Exercises on the issued and paid-up share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of shares '000	Share capital RM '000	No. of shares '000	Share capital RM '000
Issued and paid-up share capital as at the LPD	110,000	55,000	110,000	55,000
To be issued pursuant to the Rights Issue	29,311	14,655	55,000	27,500
To be issued pursuant to the Acquisition ⁽¹⁾	25,000	12,500	25,000	12,500
Enlarged issued and paid-up share capital	164,311	82,155	190,000	95,000

Note:

- (1) Assuming 25,000,000 new WZ SATU Shares are issued pursuant to the Acquisition as set out in Section 2.4 of this Abridged Prospectus.

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7.2 NA per share and gearing

For illustration purposes, based on the latest audited consolidated statements of financial position of our Group as at 30 April 2013 and on the assumption that the Corporate Exercises had been effected on that date, the pro forma effects of the Corporate Exercises on the audited consolidated NA and gearing of our Group are as follows:

Minimum Scenario

	Audited as at 30 April 2013 RM '000	(I) Adjustments for subsequent events⁽¹⁾ RM '000	(II) After (I) and the Rights Issue RM '000	(III) After (II) and the Acquisition RM '000
Share capital	50,000	55,000	69,655	82,155
Share premium	2,232	4,654	7,585	15,335
Treasury shares	(348)	-	-	-
Revaluation reserve	5,353	5,353	5,353	5,353
Translation reserve	(428)	(428)	(428)	(428)
Unappropriated profit	15,541	15,541	⁽³⁾ 14,441	14,441
NA	72,350	80,120	96,606	116,856
Number of shares in issue ('000)	⁽²⁾ 98,853	110,000	139,311	164,311
NA per share (RM)	0.73	0.73	0.69	0.71
Total borrowings (RM '000)	32,620	32,620	⁽⁴⁾ 22,620	28,156
Gross gearing (times)	0.45	0.41	0.23	0.24
Net borrowings ⁽⁵⁾ (RM '000)	29,590	21,820	5,334	17,147
Net gearing (times)	0.41	0.27	0.06	0.15

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Maximum Scenario

	Audited as at 30 April 2013 RM '000	(I) Adjustments for subsequent events ⁽¹⁾ RM '000	(II) After (I) and the Rights Issue RM '000	(III) After (II) and the Acquisition RM '000
Share capital	50,000	55,000	82,500	95,000
Share premium	2,232	4,654	10,154	17,904
Treasury shares	(348)	-	-	-
Revaluation reserve	5,353	5,353	5,353	5,353
Translation reserve	(428)	(428)	(428)	(428)
Unappropriated profit	15,541	15,541	⁽³⁾ 14,441	14,441
NA	72,350	80,120	112,020	132,270
Number of shares in issue ('000)	⁽²⁾ 98,853	110,000	165,000	190,000
NA per share (RM)	0.73	0.73	0.68	0.70
Total borrowings (RM '000)	32,620	32,620	⁽⁴⁾ 12,620	18,156
Gross gearing (times)	0.45	0.41	0.11	0.14
Net borrowings ⁽⁵⁾ (RM '000)	29,590	21,820	N/A	1,733
Net gearing (times)	0.41	0.27	N/A	0.01

Notes:

N/A Not applicable.

(1) Adjustments for the 10,000,000 WZ SATU Shares issued pursuant to the private placement of our Company over the period from 31 October 2013 to 17 December 2013, and the 1,150,000 treasury shares resold by our Company on 2 December 2013 and 3 December 2013.

(2) Excluding 1,147,000 WZ SATU Shares held as treasury shares.

(3) Less estimated expenses of RM1.10 million in relation to the Corporate Exercises.

(4) Assuming the repayment of bank borrowings of RM10.00 million and RM20.00 million under the Minimum Scenario and Maximum Scenario respectively, as disclosed in Section 3 of this Abridged Prospectus.

(5) Calculated as total borrowings less cash and bank balances (including fixed deposits).

7.3 Earnings and EPS

The Rights Issue is not expected to have a material effect on the earnings of our Group for the FPE 31 August 2014. However, the EPS of our Group may be diluted as a result of the increase in the number of WZ SATU Shares in issue upon the completion of the Rights Issue. Notwithstanding the above, the proceeds from the Rights Issue is expected to contribute positively to the earnings of our Group for the ensuing financial years when the benefits of the utilisation of proceeds are realised. The future earnings of our Group would depend on, amongst others, the returns to be generated from the utilisation of proceeds arising from the Rights Issue.

In addition to the above, the Acquisition, as set out in Section 2.4 of this Abridged Prospectus is expected to have a positive impact on the earnings and EPS of our Group. Such effects, if any, will be reflected in our financial statements upon completion of the Acquisition.

8. MINIMUM SUBSCRIPTION LEVEL, IRREVOCABLE UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

Our Company intends to raise a minimum of RM17.29 million from the Rights Issue to meet the funding requirements of our Group.

As such, the Rights Issue will be undertaken on a minimum subscription basis based on the Minimum Subscription Level. The Minimum Subscription Level was determined by our Board after taking into consideration, amongst others, the gearing position and the minimum level of funds that our Company wishes to raise from the Rights Issue that will be channelled towards the utilisation of proceeds set out in Section 3 of this Abridged Prospectus.

Our Company has procured the Undertakings from two (2) of our major shareholders, namely YM Tengku Dato' Uzir and Tan Ching Kee, to subscribe in full for their respective entitlements under the Rights Issue. The details of the Undertakings are set out below:

Substantial shareholders	Shareholdings as at the LPD		Entitlements under the Rights Issue		Total	
	No. of shares	(1)%	No. of shares	%	No. of shares	(2)%
YM Tengku Dato' Uzir	30,099,095	27.36	⁽³⁾ 15,049,547	27.36	45,148,642	27.36
Tan Ching Kee	28,521,907	25.93	⁽³⁾ 14,260,953	25.93	42,782,860	25.93

Notes:

- (1) Based on 110,000,000 WZ SATU Shares in issue as at the LPD.
- (2) Based on the enlarged number of 165,000,000 WZ SATU Shares in issue under the Maximum Scenario.
- (3) The total Undertakings furnished by YM Tengku Dato' Uzir and Tan Ching Kee amounts to 29,310,500 Rights Shares.

Accordingly, YM Tengku Dato' Uzir and Tan Ching Kee have confirmed vide their letters dated 25 March 2014 that they have sufficient financial resources to subscribe for their respective Rights Shares entitlements under the Rights Issue. Based on the documentary evidence provided by YM Tengku Dato' Uzir and Tan Ching Kee, HLIB, as the Adviser in relation to the Rights Issue, is reasonably satisfied that they have sufficient financial resources to subscribe for their respective Rights Shares entitlements under the Rights Issue.

The Undertakings will exceed the Minimum Subscription Level and hence, no underwriting arrangement will be made for the open portion of 25,689,500 Rights Shares representing 46.71% of the total Rights Shares available for subscription.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the amount to be raised from the Rights Issue, funds generated from our operations and banking facilities available, our Group will have sufficient working capital to meet our current core business requirements due within a period of twelve (12) months from the date of issuance of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group had total outstanding borrowings of approximately RM35.09 million, all of which are interest-bearing, comprising the following:

	RM '000
Short term borrowings (payable within 12 months)	31,758
Long term borrowings (payable after 12 months)	3,332
	35,090

Of the total borrowings above, amounts of approximately USD0.23 million (equivalent to RM0.75 million⁽¹⁾) and IDR10.07 billion (equivalent to RM2.92 million⁽²⁾) are foreign borrowings denominated in USD and IDR, respectively.

There has not been any default on payments of either interest and/or principal sums by our Group in respect of any borrowings throughout the past one (1) financial year and for the subsequent financial period up to the LPD.

Notes:

- (1) Based on the foreign exchange middle rate of USD1.00:RM3.3045 as published by Bank Negara Malaysia on the LPD.
- (2) Based on the foreign exchange middle rate of IDR100:RM0.0290 as published by Bank Negara Malaysia on the LPD.

9.3 Contingent liabilities

As at the LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group, which upon being enforceable, may have a material adverse impact on the financial results or position of our Group.

9.4 Material commitments

Save as disclosed below, as at the LPD, our Board confirms that there are no other material commitments incurred or known to be incurred by our Group that has not been provided for that, upon being enforceable, may have a material adverse impact on the financial results or position of our Group:

	RM '000
Purchase of property, plant and equipment:	
Authorised and contracted for	1,237
Authorised and not contracted for	1,908
Total	3,145

The material commitments in respect of the purchase of property, plant and equipment are expected to be funded through internally-generated funds and/or bank borrowings.

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION

10.1 General

The Provisional Rights Shares are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional Rights Shares will be by book entries through CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS accounts when making applications to subscribe for the Rights Shares.

If you are an Entitled Shareholder, your CDS account will be duly credited with the number of provisionally allotted Rights Shares, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue.

If you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS account and the RSF to enable you to subscribe for such Rights Shares provisionally allotted to you, as well as to apply for Excess Rights Shares if you choose to do so.

10.2 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares (whether in full or in part) is **Wednesday, 30 April 2014 at 5.00 p.m.**, or such extended date and time as may be decided and announced by our Board and Adviser at their absolute discretion not less than two (2) Market Days before the stipulated date and time.

10.3 Procedures for acceptance and payment

ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES TO YOU AS AN ENTITLED SHAREHOLDER MUST BE MADE ON THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES WHICH DO NOT CONFORM TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES, EXCESS APPLICATION FOR THE RIGHTS ISSUE AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

You and/or your renouncee(s) and/or transferee(s) (if applicable) accepting the Provisional Rights Shares are required to complete Parts I(a) and II of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Tel no: (603) 2264 3883
Fax no: (603) 2282 1886

so as to arrive **not later than 5.00 p.m. on Wednesday, 30 April 2014**, being the last time and date for acceptance and payment, or such later time and date as may be decided and announced by our Board and Adviser at their absolute discretion not less than two (2) Market Days before the stipulated time and date.

One (1) RSF can only be used for acceptance of Provisional Rights Shares standing to the credit of one (1) CDS account. Separate RSFs must be used for separate CDS account(s). The Rights Shares subscribed by you in accordance with the procedures set out in the RSF will be credited into the respective CDS accounts where the Provisional Rights Shares are standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares will comprise of 100 WZ SATU Shares. The minimum number of Rights Shares that can be accepted is one (1) Rights Share. Fractions of the shares (if any) arising from the Rights Issue will be dealt by our Board as they may deem fit.

If acceptance and payment for the Provisional Rights Shares (whether in full or in part) is not received by our Share Registrar by 5.00 p.m. on Wednesday, 30 April 2014, being the last time and date for acceptance and payment, or such later time and date as may be decided and announced by our Board and Adviser at their absolute discretion not less than two (2) Market Days before the stipulated time and date, you will be deemed to have declined the Provisional Rights Shares made to you and it will be cancelled. Such Rights Shares not taken up will be allotted to the applicants applying for Excess Rights Shares, if the Rights Shares are not fully taken up by such applicants in the manner as set out in Section 10.6 of this Abridged Prospectus.

If you lose, misplace or for any other reasons require another copy of the Abridged Prospectus and/or the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website at <http://www.bursamalaysia.com> or our Share Registrar at the address stated above or our Registered Office.

Each completed RSF must be accompanied by remittance in RM for the full and exact amount payable for the Rights Shares accepted, in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia crossed "**ACCOUNT PAYEE ONLY**" and made payable to "**WZ SATU RIGHTS SHARES ACCOUNT**" and endorsed on the reverse side with the name and CDS account of the applicant in block letters to be received by our Share Registrar.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

Notification on the outcome of your application for the Provisional Rights Shares will be despatched to you by ordinary post to the address as shown in Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Provisional Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Provisional Rights Shares.

10.4 Procedures for sale or transfer of Provisional Rights Shares

As the Provisional Rights Shares are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more persons for the period up to the last date and time for sale or transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository).

Should you wish to sell or transfer all or part of your entitlement to one (1) or more person(s), you may do so through your stockbrokers without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS account. You may sell such entitlement on Bursa Securities or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository, both for the period up to the last date and time for the sale or transfer of the Provisional Rights Shares.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RIGHTS SHARES, YOU NEED NOT DELIVER ANY DOCUMENT INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT THERE ARE SUFFICIENT PROVISIONAL RIGHTS SHARES STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

If you have sold or transferred only part of the Provisional Rights Shares, you may still accept the balance of the Provisional Rights Shares by completing Parts I(a) and II of the RSF. Please refer to Section 10.3 of this Abridged Prospectus for the procedures for acceptance and payment.

10.5 Procedures for acceptance by renouncee(s) and/or transferee(s)

Renouncees or transferees who wish to accept the Provisional Rights Shares must obtain a copy of the RSF from their stockbrokers, Bursa Securities' website at <http://www.bursamalaysia.com>, our Share Registrar or our Registered Office.

Please complete the RSF in accordance with the notes and instructions printed therein and submit the same together with the remittance to our Share Registrar at the above-stated address.

As a renouncee or transferee, the procedures for acceptance, payment, selling and transferring of the Provisional Rights Shares are the same as that applicable to the Entitled Shareholders as set out in Sections 10.3 and 10.4 of this Abridged Prospectus.

RENOUNCEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND RSF CAREFULLY.

10.6 Procedures for application for Excess Rights Shares

If you are an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s) (if applicable) may apply for Excess Rights Shares in addition to your Provisional Rights Shares. If you wish to do so, please complete Part I(b) of the RSF (in addition to Parts I(a) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the Excess Rights Shares applied for) using the envelope provided (at your own risk) to our Share Registrar at the address set out above, so as to arrive **not later than 5.00 p.m. on Wednesday, 30 April 2014**, being the last time and date for acceptance and payment, or such extended time and date as may be decided and announced by our Board and Adviser at their absolute discretion not less than two (2) Market Days before the stipulated time and date.

Payment for the Excess Rights Shares applied for should be made in the same manner as described in Section 10.3 above, except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia should be made payable to **"WZ SATU EXCESS RIGHTS SHARES ACCOUNT"** crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with the name and CDS account of the applicant in block letters to be received by our Share Registrar.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholder who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for; and
- (iv) fourthly, for allocation to renouncee(s) and/or transferee(s) who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for.

Nevertheless our Board reserves the right to allot the Excess Rights Shares applied for under Part I(b) of the RSF in such manner as our Board deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in (i) to (iv) above is achieved.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

YOU SHOULD NOTE THAT THE RSF SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the address as shown in Bursa Depository's records at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares.

10.7 Form of issuance

Bursa Securities has already prescribed the WZ SATU Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS account number may result in the application being rejected.

No physical share certificate shall be issued to you under the Rights Issue. Instead, the Rights Shares will be credited directly into your CDS accounts.

Any person who intends to subscribe for the Rights Shares as a renouncee(s) and/or transferee(s) by purchasing the provisional allotment of Rights Shares from an Entitled Shareholder will have his Rights Shares credited directly as prescribed securities into his CDS account.

If you have multiple CDS accounts into which the Provisional Rights Shares have been credited, you cannot use a single RSF for subscription of all these Provisional Rights Shares. Separate RSF must be used for separate CDS accounts. The Excess Rights Shares, if allotted to the successful applicant who applies for Excess Rights Shares, will be credited directly as prescribed securities into his CDS account.

10.8 Procedures for part acceptance

You can accept part of your Provisional Rights Shares. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share.

You must complete both Part I(a) of the RSF by specifying the number of the Rights Shares which you are accepting and Part II of the RSF and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.3 of this Abridged Prospectus.

The portion of the Provisional Rights Shares that have not been accepted shall be allotted to the applicants applying for Excess Rights Shares.

10.9 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any country or jurisdiction other than Malaysia. The Rights Issue to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so.

HLIB, our Company and our Directors and officers (collectively, the “Parties”) would not, in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the countries or jurisdictions to which they are or may be subject. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

If you are a Foreign Entitled Shareholder who does not have a registered address in Malaysia, our Company will not make or be bound to make any enquiry as to whether you have an address or an address for service in Malaysia if not otherwise stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

Accordingly, the Documents has not been (and will not be) sent to the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing any of the forms in the Documents, the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and declarations will be relied upon by) the Parties that:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which those Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are aware that the Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and
- (vi) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Rights Shares relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for excess application by the other Entitled Shareholders. You and/or your renouncee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your and/or your renouncee(s)'s and/or transferee(s)'s entitlement under the Rights Issue or to any net proceeds thereof.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in the Documents.

12. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,

For and on behalf of the Board of

WZ SATU BERHAD

(formerly known as WZ Steel Berhad)



YM TENGKU DATO' UZIR BIN TENGKU DATO' UBAIDILLAH

Chairman/Chief Executive Officer

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 25 MARCH 2014

WZ SATU BERHAD
(formerly known as WZ Steel Berhad)
(Company No: 666098-X)
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON
 25 MARCH 2014 AT PERDANA BALLROOM, BUKIT JALIL GOLF & COUNTRY RESORT,
 JALAN JALIL PERKASA 3, BUKIT JALIL, 57000 KUALA LUMPUR

ORDINARY RESOLUTION NO. 1:

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 55,000,000 NEW ORDINARY SHARES OF RM0.50 EACH IN THE COMPANY ("SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.60 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE")

Upon the following:-

Proposed by : Chia Pek Kean (*shareholder*)

Seconded by : Mohd Hafizal Bin Ahmad (*a proxy for Lee Siew Thin*)

The Meeting unanimously **RESOLVED:**

Ordinary Resolution No. 1:

Proposed renounceable rights issue of up to 55,000,000 new ordinary shares of RM0.50 each in the Company ("Share(s)") ("Rights Share(s)") at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on an entitlement date to be determined and announced later ("Proposed Rights Issue")

"THAT, subject to and conditional upon the approvals of all relevant authorities for the listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Malaysia Securities Berhad being obtained, the Board of Directors of WZ SATU ("Board") be and is hereby authorised to provisionally issue and allot by way of a renounceable rights issue of up to 55,000,000 Rights Shares at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the shareholders of the Company whose names appear on the Record of Depositors of the Company at a later date to be determined by the Board;

THAT any fractional Rights Shares arising from the Proposed Rights Issue shall be disregarded and fractional entitlements of the Rights Shares which are not allotted or validly taken up for any reason will be aggregated and dealt with in such manner as the Board shall in their absolute deem fit for the benefit of the Company;

THAT any Rights Shares which are not validly taken up shall be available for excess application in such manner as the Board shall determine in a fair and equitable manner;

THAT the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Rights Issue as set out in Section 2.1.4 of Part A of the circular to shareholders dated 7 March 2014 and the Board be authorised to revise the utilisation of proceeds from the Proposed Rights Issue in the manner is deemed fit and in the best interest of the Company;

**CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS
ISSUE PASSED AT OUR EGM HELD ON 25 MARCH 2014**

**WZ SATU BERHAD
(formerly known as WZ Steel Berhad)
(Company No: 666098-X)
(Incorporated in Malaysia)**

(Extract of the Minutes of Extraordinary General Meeting held on 25 March 2014-cont'd)

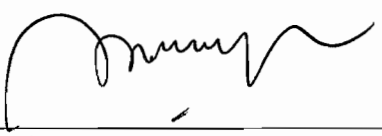
THAT, the Rights Shares will upon allotment and issuance, rank pari passu in all respects with the existing issued and paid-up Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date of which precedes the date of allotment and issue of the Rights Shares;

THAT, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue;

AND THAT no offer documents pertaining to the Proposed Rights Issue shall be issued or sent to the shareholders of the Company having registered addresses outside Malaysia or who have not provided an address in Malaysia at which such documents may be delivered to prior to the entitlement date of the Proposed Rights Issue."

CERTIFIED TRUE COPY



**DIRECTOR
TAN TENG HENG**

**SECRETARY
PAN SENG WEE (F)
(MAICSA 7034299)
(PRACTITIONER)**

Dated: 25 March 2014

INFORMATION ON OUR COMPANY**1. HISTORY AND BUSINESS**

Our Company was incorporated on 15 September 2004 in Malaysia under the Act as a public company limited by shares under the name Weng Zheng Resources Berhad. Our Company was listed on the Second Board of Bursa Securities (now known as the Main Market) on 2 January 2008. On 22 October 2008, our Company changed its name to WZ Steel Berhad, and on 30 October 2013, our Company assumed its present name.

The principal activities of our Company are investment holding and providing management services. The principal activities of our subsidiaries and associated company are set out in Section 5 of this Appendix.

2. SHARE CAPITAL**2.1 Authorised, issued and paid-up share capital**

The authorised and issued and paid-up share capital of our Company as at the LPD are as follows:

	No. of WZ SATU Shares	Par value (RM)	Total (RM)
Authorised			
Ordinary shares	200,000,000	0.50	100,000,000
Issued and fully paid-up			
Ordinary shares	110,000,000	0.50	55,000,000

2.2 Changes in authorised, issued and paid-up share capital

There have been no changes in our Company's authorised share capital for the last three (3) years up to the LPD. The changes in our Company's issued and paid-up share capital for the past three (3) years up to the LPD are as follows:

Date of allotment	No. of WZ SATU Shares allotted	Par value RM	Type of issue / Consideration	Total (cumulative) issued and paid-up share capital RM
31 October 2013	9,000,000	0.50	Issuance of WZ SATU Shares pursuant to a private placement	54,500,000.00
17 December 2013	1,000,000	0.50	Issuance of WZ SATU Shares pursuant to a private placement	55,000,000.00

INFORMATION ON OUR COMPANY

3. SUBSTANTIAL SHAREHOLDERS

For illustrative purposes, the pro forma effects of the Corporate Exercises on the shareholdings of our substantial shareholders, based on the Minimum Scenario and Maximum Scenario, are set out below:

Minimum Scenario

Substantial shareholders	Existing as at the LPD				I ⁽¹⁾				II			
	Direct		Indirect		Direct		Indirect		After I and the Acquisition		After I and the Acquisition	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
YM Tengku Dato' Uzir	30,099,095	27.36	-	-	45,148,642	32.41	-	-	45,148,642	27.48	-	-
Tan Ching Kee	28,521,907	25.93	(3)2,367,995	2.15	42,782,860	30.71	(3)2,367,995	1.70	42,782,860	26.04	(3)2,367,995	1.44
Dato' William Tan Chee Keong	-	-	-	-	-	-	-	-	11,625,000	7.08	-	-
Choi Chee Ken	-	-	-	-	-	-	-	-	11,625,000	7.08	-	-

INFORMATION ON OUR COMPANY

Maximum Scenario

Substantial shareholders	Existing as at the LPD			I ⁽²⁾						II					
	After the Rights Issue			After I and the Acquisition											
	Direct	No. of shares	%	Indirect	No. of shares	%	Direct	No. of shares	%	Indirect	No. of shares	%	Direct	No. of shares	%
YM Tengku Dato' Uzir	30,099,095	27.36	-	-	45,148,642	27.36	-	45,148,642	23.76	-	-	-	-	-	-
Tan Ching Kee	28,521,907	25.93	(3)2,367,995	2.15	42,782,860	25.93	(3)3,551,992	2.15	42,782,860	22.52	(3)3,551,992	1.87	-	-	-
Dato' William Tan Chee Keong	-	-	-	-	-	-	-	-	11,625,000	6.12	-	-	-	-	-
Choi Chee Ken	-	-	-	-	-	-	-	-	11,625,000	6.12	-	-	-	-	-

Notes:

- (1) Assuming only YM Tengku Dato' Uzir and Tan Ching Kee subscribe in full for their respective entitlements based on their direct shareholdings pursuant to the Undertakings and none of the other Entitled Shareholders subscribe for their entitlements under the Rights Issue.
- (2) Assuming all Entitled Shareholders fully subscribe for their entitlements under the Rights Issue.
- (3) Deemed interested by virtue of his spouse's shareholdings in our Company.

INFORMATION ON OUR COMPANY

4. DIRECTORS

For illustration purposes only, based on our Company's Register of Directors as at the LPD, the effects of the Corporate Exercises on the shareholdings of our Directors are as follows:

Minimum Scenario

Directors	Existing as at the LPD				I ⁽¹⁾				II			
	After the Rights Issue		After I and the Acquisition		After the Rights Issue		After I and the Acquisition		After the Rights Issue		After I and the Acquisition	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
YM Tengku Dato' Uzir	30,099,095	27.36	-	-	45,148,642	32.41	-	-	45,148,642	27.48	-	-
Tan Ching Kee	28,521,907	25.93	(3)2,367,995	2.15	42,782,860	30.71	(3)2,367,995	1.70	42,782,860	26.04	(3)2,367,995	1.44
Tan Teng Heng	2,405,000	2.19	-	-	2,405,000	1.73	-	-	2,405,000	1.46	-	-
Tan Chong Boon	5,056,980	4.60	(3)69,000	0.06	5,056,980	3.63	(3)69,000	0.05	5,056,980	3.08	(3)69,000	0.04
Dato' Ir. Mohd Ghazali Bin Kamaruzaman	-	-	-	-	-	-	-	-	-	-	-	-
Ng Chong Tin	2,398,356	2.18	-	-	2,398,356	1.72	-	-	2,398,356	1.46	-	-
Dato' Amin Rafie Bin Othman	97,200	0.09	-	-	97,200	0.07	-	-	97,200	0.06	-	-
Dato' Siow Kim Lun	150,000	0.14	-	-	150,000	0.11	-	-	150,000	0.09	-	-
Dato' Yeong Kok Hee	230,000	0.21	-	-	230,000	0.17	-	-	230,000	0.14	-	-
Ong Teck Chuan	150,000	0.14	-	-	150,000	0.11	-	-	150,000	0.09	-	-

INFORMATION ON OUR COMPANY

Maximum Scenario

Directors	I ⁽²⁾						II					
	Existing as at the LPD			After the Rights Issue			After I and the Acquisition					
	Direct	Indirect	No. of shares	%	No. of shares	%	Direct	Indirect	No. of shares	%	Direct	Indirect
YM Tengku Dato' Uzir	30,099,095	27.36	-	-	45,148,642	27.36	-	-	45,148,642	23.76	-	-
Tan Ching Kee	28,521,907	25.93	(3)2,367,995	2.15	42,782,860	25.93	(3)3,551,992	2.15	42,782,860	22.52	(3)3,551,992	1.87
Tan Teng Heng	2,405,000	2.19	-	-	3,607,500	2.19	-	-	3,607,500	1.90	-	-
Tan Chong Boon	5,056,980	4.60	(3)69,000	0.06	7,585,470	4.60	(3)103,500	0.06	7,585,470	3.99	(3)103,500	0.05
Dato' Ir. Mohd Ghazali Bin Kamaruzaman	-	-	-	-	-	-	-	-	-	-	-	-
Ng Chong Tin	2,398,356	2.18	-	-	3,597,534	2.18	-	-	3,597,534	1.89	-	-
Dato' Amin Rafie Bin Othman	97,200	0.09	-	-	145,800	0.09	-	-	145,800	0.08	-	-
Dato' Siow Kim Lun	150,000	0.14	-	-	225,000	0.14	-	-	225,000	0.12	-	-
Dato' Yeong Kok Hee	230,000	0.21	-	-	345,000	0.21	-	-	345,000	0.18	-	-
Ong Teck Chuan	150,000	0.14	-	-	225,000	0.14	-	-	225,000	0.12	-	-

Notes:

- (1) Assuming only YM Tengku Dato' Uzir and Tan Ching Kee subscribe in full for their respective entitlements based on their direct shareholdings pursuant to the Undertakings and none of the other Entitled Shareholders subscribe for their entitlements under the Rights Issue.
- (2) Assuming all Entitled Shareholders fully subscribe for their entitlements under the Rights Issue.
- (3) Deemed interested by virtue of their respective spouse's shareholdings in our Company.

INFORMATION ON OUR COMPANY

5. SUBSIDIARIES AND ASSOCIATED COMPANY

The subsidiaries and associated company of our Company as at the LPD are as follows:

Company	Date / Place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest %	Principal activities
Subsidiary companies				
Weng Zheng Sdn Bhd (" WZSB ")	17 February 1992 / Malaysia	2,000,000	100.00	Manufacturing and processing of cold drawn bright steel products and related steel products
Weng Zheng Trading Sdn Bhd (" WZ Trading ")	27 May 1996 / Malaysia	2,000,000	100.00	Dealers in steel products
Weng Zheng Marketing Sdn Bhd	17 August 1995 / Malaysia	2,000,000	100.00	Processing and marketing of all types of steel products
PT WZ Steel	21 October 2011 / Indonesia	IDR 4,276,000,000	100.00	Manufacturing and processing of cold drawn bright steel products
WZ Satu Sysbuild Sdn Bhd	2 October 2013 / Malaysia	2	100.00	Dormant
WZS Engineering Sdn Bhd	17 September 2013 / Malaysia	500,000	100.00	Dormant
WZS Prisma Sdn Bhd	17 September 2013 / Malaysia	1,000,000	100.00	Dormant
WZS Geoassets Sdn Bhd	2 October 2013 / Malaysia	2	100.00	Dormant
Associated company				
SE Satu Sdn Bhd (formerly known as <i>Saujana Susila Sdn Bhd</i>)	16 August 2013 / Malaysia	2,000,000	49.00	Involved in the business of mining operations and activities

INFORMATION ON OUR COMPANY

6. PROFIT AND DIVIDEND RECORD

Our profit and dividend records based on our audited consolidated financial statements for the last three (3) FYEs 30 April 2011 to 30 April 2013 and the unaudited consolidated interim financial statements for the nine (9)-month FPE 31 January 2014 are set out below:

	Audited FYE 30 April			Unaudited nine (9)- month FPE 31 January 2014
	2011 RM '000	2012 RM '000	2013 RM '000	RM '000
Revenue	73,288	84,684	86,932	65,844
Cost of sales	(62,974)	(74,552)	(78,025)	(56,982)
Gross profit	10,314	10,132	8,907	8,862
Other income	188	478	3,790	276
Distribution cost	(993)	(1,006)	(905)	(724)
Administrative expenses	(4,560)	(4,832)	(5,072)	(4,917)
Other expenses	(1,955)	(1,977)	(1,952)	(1,519)
Profits from operating activities	2,994	2,795	4,768	1,978
Finance costs	(1,394)	(1,524)	(1,963)	(1,032)
Share of results of an associate	-	-	-	(490)
PBT	1,600	1,271	2,805	456
Income tax expense	(392)	(471)	(93)	289
PAT	1,208	800	2,712	745
Earnings before interest, taxation, depreciation and amortisation	6,452	6,311	7,594	3,409
PAT attributable to:				
Equity holders of the Company (PATMI)	1,208	800	2,712	745
Non-controlling interests	-	-	-	-
Weighted average number of WZ SATU Shares in issue (adjusted for treasury shares) ('000):	99,613	99,075	98,858	102,301
EPS (sen):				
- Basic	1.21	0.81	2.74	0.73
- Diluted	N/A	N/A	N/A	N/A
Dividend per share declared (sen)	-	-	-	-
Profit margin:				
Gross profit margin (%)	14.07	11.96	10.25	13.46
Net profit margin (PATMI) (%)	1.65	0.94	3.12	1.13

Note:

N/A Not applicable.

INFORMATION ON OUR COMPANY

Commentary on financial performance:**FYE 30 April 2011**

For the FYE 30 April 2011, our Group recorded revenue of RM73.29 million, representing a decrease of RM1.68 million or 2.24% from RM74.97 million for the FYE 30 April 2010. The decline in our Group's revenue was mainly due to the contraction in revenue from the Manufacturing Division as a result of weak market demand, high average cost of existing inventory and slow recovery in the office automation industry.

Our Group recorded a decrease in PAT of RM1.03 million or 45.98% from RM2.24 million for the FYE 30 April 2010 to RM1.21 million for the FYE 30 April 2011 mainly due to higher operational costs and lower margins at the Trading Division.

FYE 30 April 2012

For the FYE 30 April 2012, our Group recorded revenue of RM84.68 million, representing an increase of RM11.39 million or 15.54% from RM73.29 million for the FYE 30 April 2011. The increase in revenue was due to higher sales volume achieved by both the Manufacturing Division and Trading Division as a result of aggressive marketing in both our domestic and overseas markets.

Even though our Group recorded an increase in revenue for FYE 30 April 2012, our Group recorded a lower PAT of RM0.80 million for the FYE 30 April 2012, representing a decrease of RM0.41 or 33.88% from RM1.21 million for the FYE 30 April 2011. The decrease in PAT for the FYE 30 April 2012 was mainly due to a decrease in gross profit margin as a result of significant margin squeeze as a consequence of heavy competition in the steel industry and slow global economic recovery and higher operating, administrative and finance expenses

FYE 30 April 2013

For the FYE 30 April 2013, our Group recorded revenue of RM86.93 million, representing an increase of RM2.25 million or 2.66% from RM84.68 million for the FYE 30 April 2012. This increase in revenue was mainly due to improved sales volume for the Trading Division as a result of aggressive marketing strategies for market share expansion coupled with an improved demand from various steel use industries. However, the improved sales volume for the Trading Division was offset by lower revenue for the Manufacturing Division due to lower export tonnage and unstable steel prices leading to a lower average selling price for the Manufacturing Division. As such, our Group's revenue had only increased by 2.66% from the previous financial year.

Our Group recorded an increase in PAT of RM1.91 million or more than 100%, to RM2.71 million for the FYE 30 April 2013. The increase in PAT was mainly due to increase in other income as a result of gain from the disposal of a property of RM3.60 million. For the year, our Group incurred a LAT of RM 0.89 million on the existing steel business.

Unaudited nine (9)-month FPE 31 January 2014

For the nine (9)-month FPE 31 January 2014, our Group recorded revenue of RM65.84 million, representing an increase of RM1.03 million or 1.59% from RM64.81 million from the corresponding period in the preceding financial year.

Our Group recorded a reduction in PAT of RM1.65 million or 68.75%, from RM2.40 million for the nine (9)-month FPE 31 January 2013 to RM0.75 million for the nine (9)-month FPE 31 January 2014. The PAT for the corresponding period in the preceding financial year was higher mainly due to a gain from the disposal of a property of RM3.60 million.

INFORMATION ON OUR COMPANY

7. HISTORICAL SHARE PRICES

The monthly high and low prices of WZ SATU Shares traded on the Main Market of Bursa Securities for the past twelve (12) months are set out below:

	High RM	Low RM
2013		
April	0.330	0.280
May	0.360	0.280
June	0.400	0.330
July	0.370	0.345
August	0.490	0.340
September	0.675	0.445
October	0.920	0.575
November	1.010	0.845
December	1.000	0.825
2014		
January	1.010	0.830
February	0.840	0.785
March	0.820	0.765
Last transacted market price of WZ SATU Shares on 9 January 2014, being the last trading day prior to the date of announcement of, amongst others, the Rights Issue		0.975
Last transacted market price of WZ SATU Shares on the LPD		0.800
Last transacted market price of WZ SATU Shares on 10 April 2014, being the last trading day prior to the ex-date for the Rights Issue		0.780

(Source: Bloomberg)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

**TAI, YAPP
& CO.** CHARTERED
ACCOUNTANTS
(AF 0205)

NO. 3-2, JALAN INDRAHANA 2,
OFF JALAN KUCHAI LAMA, 58200 KUALA LUMPUR.
P.O. BOX 89, JALAN KELANG LAMA POST OFFICE,
58000 KUALA LUMPUR.
TEL: 03-79830277, 79836128
FAX: 03-79819912
EMAIL: audit@taiyapp.com / taiyapp@gmail.com

REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION INCLUDED IN THE ABRIDGED PROSPECTUS

(Prepared for inclusion in the Abridged Prospectus to be dated 15 April 2014)

Date: 7 April 2014

The Board of Directors
WZ Satu Berhad (Formerly known as WZ Steel Berhad)
Lot 1890, Jalan KPB 9,
Kawasan Perindustrian Balakong,
43300 Seri Kembangan, Selangor.

Dear Sirs,

**WZ SATU BERHAD (FORMERLY KNOWN AS WZ STEEL BERHAD) ("WZ SATU" OR "COMPANY")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2013**

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statement of financial position of WZ Satu and its subsidiaries ("the Group") as at 30 April 2013 together with the accompanying notes which have been prepared by the Directors, as set out in Appendix A (which have been stamped for the purpose of identification).

The pro forma consolidated statement of financial position has been compiled by the Directors to illustrate the impact of the following corporate exercises on the financial position of WZ Satu as at 30 April 2013 had they been completed on that date:

- (i) Renounceable rights issue of up to 55,000,000 new ordinary shares of RM0.50 each in WZ Satu ("WZ Satu Shares") ("Rights Shares") at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing WZ Satu Shares held as at 5.00 p.m. on 15 April 2014; and
- (ii) Acquisition of 750,000 ordinary shares of RM1.00 each in KenKeong Sdn. Bhd. ("KenKeong") representing 100% equity interest in KenKeong, for a total purchase consideration of RM27.5 million, of which approximately RM7.25 million to be satisfied in cash and the balance of approximately RM20.25 million to be satisfied via the issuance of 25,000,000 new WZ Satu Shares at an issue price of RM0.81 per share.

(Hereinafter, collectively referred to as the "Corporate Exercises")

The Directors' Responsibilities

The Directors are responsible for compiling the pro forma consolidated statement of financial position in accordance with the Prospectus Guidelines – Abridged Prospectus to reflect the Corporate Exercises.

Our Responsibilities

Our responsibility is to express an opinion on whether the pro forma consolidated statement of financial position has been compiled, in all material respects, by the Directors in accordance with the Prospectus Guidelines – Abridged Prospectus.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagement, ISAE 3420: Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus issued by Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statement of financial position on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma consolidated statement of financial position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of pro forma consolidated statement of financial position provides a reasonable basis for presenting the significant event or transaction directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- a) the related pro forma adjustments give appropriate effect to those criteria; and
- b) the pro forma consolidated statement of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statement of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statement of financial position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:


- (a) the Pro forma Consolidated Statement of Financial Position of the Group, which have been prepared by the Directors of Company, have been prepared on the basis of assumptions set out in the notes thereon using financial statements prepared in accordance with applicable Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group;
- (b) the material adjustments made to the information used in the preparation of the Pro forma Consolidated Statement of Financial Position are appropriate for the purposes of preparing the Pro forma Consolidated Statement of Financial Position; and
- (c) the adjustments as explained in the Notes and Assumptions to the Pro forma Consolidated Statement of Financial Position as at 30 April 2013 are appropriate for the purposes of the Pro forma Consolidated Statement of Financial Position.

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS
AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**

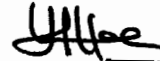
Other Matters

This letter is issued solely for the purpose of inclusion in the Abridged Prospectus in relation to Corporate Exercises. Our work had been carried out in accordance with the Malaysian Approved Standards on Assurance Engagement and accordingly should not be relied upon as if it had been carried out in accordance with the standards and practices in other jurisdictions. Therefore, this letter should not be used or relied upon for any other purpose without our prior written consent.

Yours faithfully,



TAI, YAPP & CO.
AF: 0205
Chartered Accountants



YAPP HOCK HOE
No. 725/03/16 (J/PH)
Chartered Accountant

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

WZ SATU BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2013

Minimum Scenario	Note	Audited As at 30-Apr-13 RM'000	Pro forma I Adjustments for subsequent events RM'000	Pro forma II After Pro forma I and the Rights Issue RM'000	Pro forma III After Pro forma I and II; and the Acquisition RM'000
Non-Current Assets					
Property, plant and equipment	3	45,279	45,279	45,279	47,526
Investment property		563	563	563	563
Goodwill on acquisition	4	-	-	-	23,895
		<u>45,842</u>	<u>45,842</u>	<u>45,842</u>	<u>71,984</u>
Current assets					
Inventories		41,187	41,187	41,187	41,187
Trade receivables	5	27,309	27,309	27,309	38,258
Other receivables, deposits and prepayments	6	1,003	1,003	1,003	3,773
Tax recoverable		783	783	783	783
Fixed deposits with licensed bank	7	-	-	-	808
Cash and bank balances	8	3,030	10,800	17,286	10,201
		<u>73,312</u>	<u>81,082</u>	<u>87,568</u>	<u>95,010</u>
Total Assets		<u>119,154</u>	<u>126,924</u>	<u>133,410</u>	<u>166,994</u>
Equity and Liabilities					
Share capital		50,000	55,000	69,655	82,155
Treasury shares		(348)	-	-	-
Share premium		2,232	4,654	7,585	15,335
Revaluation reserve		5,353	5,353	5,353	5,353
Translation reserve		(428)	(428)	(428)	(428)
Unappropriated profit		15,541	15,541	14,441	14,441
Shareholders equity		<u>72,350</u>	<u>80,120</u>	<u>96,606</u>	<u>116,856</u>
Non-Current Liabilities					
Hire-purchase payables	9	1,341	1,341	1,341	1,700
Term loans		2,194	2,194	2,194	2,194
Deferred tax liabilities	10	1,922	1,922	1,922	2,216
		<u>5,457</u>	<u>5,457</u>	<u>5,457</u>	<u>6,110</u>
Current Liabilities					
Trade payables	11	11,278	11,278	11,278	12,210
Other payables and accruals	12	838	838	838	6,716
Amount due to Joint Venture Partners	13	-	-	-	548
Hire purchase payables	9	782	782	782	1,154
Term loans		1,090	1,090	1,090	1,090
Short term borrowings	14	27,213	27,213	17,213	22,018
Taxation	15	146	146	146	292
		<u>41,347</u>	<u>41,347</u>	<u>31,347</u>	<u>44,028</u>
Total Liabilities		<u>46,804</u>	<u>46,804</u>	<u>36,804</u>	<u>50,138</u>
Total Equity and Liabilities		<u>119,154</u>	<u>126,924</u>	<u>133,410</u>	<u>166,994</u>
Number of shares in issue ('000)		98,853	110,000	139,311	164,311
NA per share (RM)		0.73	0.73	0.69	0.71
Total gross borrowings (RM'000)		32,620	32,620	22,620	28,156
Gross gearing (times)		0.45	0.41	0.23	0.24
Total net borrowings (RM'000)					
(Net of fixed deposits, cash and bank balances)		29,590	21,820	5,334	17,147
Net gearing (times)					
(Net of fixed deposits, cash and bank balances)		0.41	0.27	0.06	0.15

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

WZ SATU BERHAD

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2013

Maximum Scenario	Note	Audited As at 30-Apr-13 RM'000	Pro forma I Adjustments for subsequent events RM'000	Pro forma II After Pro forma I and the Rights Issue RM'000	Pro forma III After Pro forma I and II; and the Acquisition RM'000
Non-Current Assets					
Property, plant and equipment	3	45,279	45,279	45,279	47,526
Investment property		563	563	563	563
Goodwill on acquisition	4	-	-	-	23,895
		<u>45,842</u>	<u>45,842</u>	<u>45,842</u>	<u>71,984</u>
Current assets					
Inventories		41,187	41,187	41,187	41,187
Trade receivables	5	27,309	27,309	27,309	38,258
Other receivables, deposits and prepayments	6	1,003	1,003	1,003	3,773
Tax recoverable		783	783	783	783
Fixed deposits with licensed bank	7	-	-	-	808
Cash and bank balances	8	3,030	10,800	22,700	15,615
		<u>73,312</u>	<u>81,082</u>	<u>92,982</u>	<u>100,424</u>
Total Assets		<u>119,154</u>	<u>126,924</u>	<u>138,824</u>	<u>172,408</u>
Equity and Liabilities					
Share capital		50,000	55,000	82,500	95,000
Treasury shares		(348)	-	-	-
Share premium		2,232	4,654	10,154	17,904
Revaluation reserve		5,353	5,353	5,353	5,353
Translation reserve		(428)	(428)	(428)	(428)
Unappropriated profit		15,541	15,541	14,441	14,441
Shareholders equity		<u>72,350</u>	<u>80,120</u>	<u>112,020</u>	<u>132,270</u>
Non-Current Liabilities					
Hire-purchase payables	9	1,341	1,341	1,341	1,700
Term loans		2,194	2,194	2,194	2,194
Deferred tax liabilities	10	1,922	1,922	1,922	2,216
		<u>5,457</u>	<u>5,457</u>	<u>5,457</u>	<u>6,110</u>
Current Liabilities					
Trade payables	11	11,278	11,278	11,278	12,210
Other payables and accruals	12	838	838	838	6,716
Amount due to Joint Venture Partners	13	-	-	-	548
Hire purchase payables	9	782	782	782	1,154
Term loans		1,090	1,090	1,090	1,090
Short term borrowings	14	27,213	27,213	7,213	12,018
Taxation	15	146	146	146	292
		<u>41,347</u>	<u>41,347</u>	<u>21,347</u>	<u>34,028</u>
Total Liabilities		<u>46,804</u>	<u>46,804</u>	<u>26,804</u>	<u>40,138</u>
Total Equity and Liabilities		<u>119,154</u>	<u>126,924</u>	<u>138,824</u>	<u>172,408</u>
Number of shares in issue ('000)		98,853	110,000	165,000	190,000
NA per share (RM)		0.73	0.73	0.68	0.70
Total gross borrowings (RM'000)		32,620	32,620	12,620	18,156
Gross gearing (times)		0.45	0.41	0.11	0.14
Total net borrowings (RM'000)					
(Net of fixed deposits, cash and bank balances)		29,590	21,820	N/A	1,733
Net gearing (times)					
(Net of fixed deposits, cash and bank balances)		0.41			0.01

0.27
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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

APPENDIX A

WZ SATU BERHAD (FORMERLY KNOWN AS WZ STEEL BERHAD)

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2013

1. Basis of Preparation

1.1. The pro forma consolidated statement of financial position of WZ Satu has been prepared based on the audited consolidated statements of financial position of WZ Satu as at 30 April 2013, which are prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and accounting policies adopted by the Group. The pro forma consolidated statement of financial position, for which the Directors of WZ Satu are solely responsible, has been prepared for illustrative purposes to show the effects of the following:-

- a. Adjustments for the 10,000,000 WZ Satu Shares issued pursuant to the private placement over the period from 31 October 2013 to 17 December 2013, and the 1,150,000 treasury shares resold on 2 December 2013 and 3 December 2013;
- b. the renounceable rights issue of up to 29,310,500 (Minimum Scenario) or 55,000,000 (Maximum Scenario) Rights Shares at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing WZ Satu Shares held ("Rights Issue");
- c. the utilization of proceeds from the Rights Issue as though they were effected as of that date;
- d. completion of acquisition of 750,000 ordinary shares of RM1.00 each in KenKeong representing 100% equity interest in KenKeong, for a total purchase consideration of RM27.5 million, of which approximately RM7.25 million to be satisfied in cash and the balance of approximately RM20.25 million to be satisfied via the issuance of 25,000,000 new WZ Satu Shares at an issue price of RM0.81 per share.
- e. consolidation of the statement of financial position of KenKeong based on the latest audited financial statements as at 30 June 2013.

1.2 The pro forma effects of the Corporate Exercises have been illustrated based on the following assumptions:

Minimum Scenario

Assuming YM Tengku Dato' Uzir bin Tengku Dato' Ubaidillah and Tan Ching Kee subscribe in full for their respective entitlements based on their direct shareholdings pursuant to undertakings amounting to 29,310,500 Rights Shares.

Maximum Scenario

Assuming the Rights Issue is undertaken on a full subscription level basis.

1.3 The final determination of the purchase price allocation will be based on the established fair value of the assets acquired, including the fair value of the identifiable assets and liabilities assumed as of the acquisition date, in accordance with MFRS 3, Business Combinations. The excess of the purchase price over the fair value of net assets acquired is allocated to goodwill, or vice versa to be reflected as gain from bargain purchase. Accordingly, the final determination of the purchase price, fair values and resulting goodwill or gain from bargain purchase may differ significantly from what is reflected in this Pro forma Consolidated Statement of Financial Position.

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2. The Pro forma Consolidated Statements of Financial Position

2.1 Minimum Scenario

2.1.1 Pro forma I – Adjustments for subsequent events

Pro forma I incorporates the effects of:-

- a) the adjustments for the private placement of 9 million WZ Satu Shares issued at an issue price of RM0.675 per share on 31 October 2013; and 1 million WZ Satu Shares at an issue price of RM0.84 per share on 17 December 2013;
- b) the resale of 1,150,000 treasury shares on 2 December 2013 and 3 December 2013 at the sale proceeds of RM1,049,000.

2.1.2 Pro forma II – Rights Issue

Pro forma II incorporates Pro forma I and the effects of:-

- a) the subscription of 29,310,500 Rights Shares in WZ Satu, based on the Minimum Scenario, at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing WZ Satu Shares held;
- b) the utilisation of proceeds arising from Rights Issue is as follows:-

Proposed utilisation	Minimum Scenario (RM'000)
Repayment of existing bank borrowings	10,000
Working capital	6,486
Estimated expenses for the Corporate Exercises	1,100
	<u>17,586</u>

2.1.3 Pro forma III – Acquisition of KenKeong

Pro forma III incorporates Pro forma I and II and the effects of the acquisition of 750,000 ordinary shares of RM1.00 each in KenKeong representing 100% equity interest in KenKeong, for a total purchase consideration of RM27.5 million, of which approximately RM7.25 million is to be satisfied in cash and the balance of approximately RM20.25 million is to be satisfied via the issuance of 25,000,000 new WZ Satu Shares at an issue price of RM0.81 per share. Thereafter, the statement of financial position of KenKeong is consolidated based on the audited financial statements as at 30 June 2013.

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2.1.4 Movements of the issued and paid up capital, share premium and reserves of WZ Satu

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
Audited as at 30 April 2013	50,000	2,232	(348)	5,353	(428)	15,541	72,350
Adjustment for private placement	5,000	1,721	-	-	-	-	6,721
Resale of Treasury Shares	-	701	348	-	-	-	1,049
As per Pro forma I	55,000	4,654	-	5,353	(428)	15,541	80,120
Arising from Rights Issue	14,655	2,931	-	-	-	-	17,586
Estimated expenses for Corporate Exercises	-	-	-	-	-	(1,100)	(1,100)
As per Pro forma II	69,655	7,585	-	5,353	(428)	14,441	96,606
Acquisition of KenKeong via issuance of shares	12,500	7,750	-	-	-	-	20,250
As per Pro forma III	82,155	15,335	-	5,353	(428)	14,441	116,856

2.2 Maximum Scenario

2.2.1 Pro forma I – Adjustments for subsequent events

Pro forma I incorporates the effects of:-

- the adjustments for the private placement of 9 million WZ Satu Shares issued at an issue price of RM0.675 per share on 31 October 2013; and 1 million WZ Satu Shares at an issue price of RM0.84 per share on 17 December 2013;
- the resale of 1,150,000 treasury shares on 2 December 2013 and 3 December 2013 at the sale proceeds of RM1,049,000.

2.2.2 Pro forma II – Rights Issue

Pro forma II incorporates Pro forma I and the effects of:-

- the subscription of 55,000,000 Rights Shares in WZ Satu, based on the Maximum Scenario, at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing WZ Satu Shares held;

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

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b) the utilisation of proceeds arising from Rights Issue is as follows:-

Proposed utilisation	Maximum Scenario (RM'000)
Repayment of existing bank borrowings	20,000
Working capital	11,900
Estimated expenses for the Corporate Exercises	1,100
	<u>33,000</u>

2.2.3 Pro forma III – Acquisition of KenKeong

Pro forma III incorporates Pro forma I and II and the effects of the acquisition of 750,000 ordinary shares of RM1.00 each in KenKeong representing 100% equity interest in KenKeong, for a total purchase consideration of RM27.5 million, of which approximately RM7.25 million is to be satisfied in cash and the balance of approximately RM20.25 million is to be satisfied via the issuance of 25,000,000 new WZ Satu Shares at an issue price of RM0.81 per share. Thereafter, the statement of financial position of KenKeong is consolidated based on the audited financial statements as at 30 June 2013.

2.2.4 Movements of the issued and paid up capital, share premium and reserves of WZ Satu

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
Audited as at 30 April 2013	50,000	2,232	(348)	5,353	(428)	15,541	72,350
Adjustment for private placement	5,000	1,721	-	-	-	-	6,721
Resale of Treasury Shares	-	701	348	-	-	-	1,049
As per Pro forma I	55,000	4,654	-	5,353	(428)	15,541	80,120
Arising from Rights Issue	27,500	5,500	-	-	-	-	33,000
Estimated expenses for Corporate Exercises	-	-	-	-	-	(1,100)	(1,100)
As per Pro forma II	82,500	10,154	-	5,353	(428)	14,441	112,020
Acquisition of KenKeong via issuance of shares	12,500	7,750	-	-	-	-	20,250
As per Pro forma III	95,000	17,904	-	5,353	(428)	14,441	132,270

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

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3. PROPERTY, PLANT AND EQUIPMENT

The movements in the property, plant and equipment of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	45,279
Arising from consolidation of the financial position of KenKeong	2,247
As per Pro forma III	47,526

4. GOODWILL ON ACQUISITION

The movements in the goodwill on acquisition of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	-
Arising from acquisition of KenKeong	23,895
As per Pro forma III	23,895

Details of the provisional fair value of net assets acquired are as follows:-

	RM'000
Property, plant and equipment	2,247
Trade receivables	10,949
Other receivables, deposits and prepayments	2,770
Fixed deposits with licensed banks	808
Cash and bank balances	165
Deferred tax liabilities	(294)
Hire purchase payables	(731)
Trade payables	(932)
Other payables and accruals	(5,878)
Amount due to joint venture partners	(548)
Short term borrowings	(4,805)
Taxation	(146)
Net assets acquired	3,605
Goodwill on acquisition	23,895
Purchase consideration	27,500

The acquisition has been accounted for in accordance with MFRS 3, Business Combinations. The goodwill on acquisition of KenKeong may vary with the amount presented and it is subject to the fair value of the consideration which is to be satisfied via the issuance of 25,000,000 new WZ Satu Shares at an issue price of RM0.81 per share on acquisition date.

5. TRADE RECEIVABLES

The movements in the trade receivables of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	27,309
Arising from consolidation of the financial position of KenKeong	10,949
As per Pro forma III	38,258

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6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The movements in the other receivables, deposits and prepayments of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	1,003
Arising from consolidation of financial position of KenKeong	2,770
As per Pro forma III	3,773

7. FIXED DEPOSITS WITH LICENSED BANK

The movements in the fixed deposits with licensed bank of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	-
Arising from consolidation of the financial position of KenKeong	808
As per Pro forma III	808

8. CASH AND BANK BALANCES

The movements in the cash and bank balances of the Group are as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 30 April 2013	3,030	3,030
Proceeds from private placement	6,915	6,915
Payment of expenses of the private placement	(194)	(194)
Proceeds from resale of treasury shares	1,049	1,049
As per Pro forma I	10,800	10,800
Proceeds from Rights Issue	17,586	33,000
Payment of expenses of the Corporate Exercises	(1,100)	(1,100)
Repayment of bank borrowings	(10,000)	(20,000)
As per Pro forma II	17,286	22,700
Balance of consideration to be satisfied by way of cash for acquisition of KenKeong	(7,250)	(7,250)
Arising from consolidation of financial position of KenKeong	165	165
As per Pro forma III	10,201	15,615

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9. HIRE PURCHASE PAYABLES

The movements in the hire purchase payables of the Group are as follows:-

	Non-Current Liabilities RM'000	Current Liabilities RM'000
Audited as at 30 April 2013	1,341	782
Arising from consolidation of the financial position of Kenkeong	359	372
As per Pro forma III	1,700	1,154

10. DEFERRED TAX LIABILITIES

The movements in the deferred tax liabilities of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	1,922
Arising from consolidation of the financial position of KenKeong	294
As per Pro forma III	2,216

11. TRADE PAYABLES

The movements in the trade payables of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	11,278
Arising from consolidation of the financial position of KenKeong	932
As per Pro forma III	12,210

12. OTHER PAYABLES AND ACCRUALS

The movements in the other payables and accruals of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	838
Arising from consolidation of the financial position of KenKeong	5,878
As per Pro forma III	6,716

13. AMOUNT OWING TO JOINT VENTURE PARTNERS

The movements in the amount owing to joint venture partners of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	-
Arising from consolidation of the financial position of KenKeong	548
As per Pro forma III	548

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

APPENDIX A

14. SHORT TERM BORROWINGS

The movements in the short term borrowings of the Group are as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 30 April 2013	27,213	27,213
Repayment of bank borrowings	(10,000)	(20,000)
As per Pro forma II	<u>17,213</u>	<u>7,213</u>
Arising from consolidation of the financial position of KenKeong	4,805	4,805
As per Pro forma III	<u><u>22,018</u></u>	<u><u>12,018</u></u>

15. TAXATION

The movements in the taxation of the Group are as follows:-

	RM'000
Audited as at 30 April 2013	146
Arising from consolidation of the financial position of KenKeong	146
As per Pro forma III	<u><u>292</u></u>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL
2013 TOGETHER WITH THE AUDITORS' REPORT THEREON**

WZ STEEL BERHAD
(Incorporated in Malaysia)

REPORT AND FINANCIAL STATEMENTS
30TH APRIL 2013

TAI, YAPP & CO
(No. AF 0205)
Chartered Accountants

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

WZ STEEL BERHAD
(Incorporated in Malaysia)
REPORT AND FINANCIAL STATEMENTS
30TH APRIL 2013

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WZ STEEL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 2013

The Directors present their report and the audited financial statements of the Group and of the Company for the year ended 30th April 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in Note 11 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

	Group	Company
	RM	RM
FINANCIAL RESULTS		
Profit/(Loss) for the year attributable to owners of the Company	2,712,982	(28,677)
	=====	=====

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES

During the year, no issue of shares was made by the Company.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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TREASURY SHARES

During the financial year, the Company repurchased 25,000 of its issued ordinary shares from the open market at an average price of RM0.29 per share. The total consideration paid for the repurchase including transaction costs was RM7,191. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30th April 2013, the Company held as treasury shares a total of 1,147,000 of its 100,000,000 issued ordinary shares. Further relevant details are disclosed in Note 18 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.

DIRECTORS

The Directors who have served since the date of the last report are:-

DATO' AMIN RAFIE BIN OTHMAN
TAN CHING KEE
TAN CHONG BOON
NG CHONG TIN
DATO' SIOW KIM LUN
DATO' YEONG KOK HEE
ONG TECK CHUAN

In accordance with Article 84 of the Company's Articles of Association, Tan Chong Boon and Ong Teck Chuan retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting of the Company.

DIRECTORS' INTEREST

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:-

Direct Interest	----- Ordinary Shares of RM0.50 each -----			
	As at 1.5.12	Bought	(Sold)	As at 30.4.13
DATO' AMIN RAFIE BIN OTHMAN	959,700	-	(300,000)	659,700
TAN CHING KEE	39,171,907	-	-	39,171,907
TAN CHONG BOON	6,406,980	-	-	6,406,980
NG CHONG TIN	2,398,356	-	-	2,398,356
DATO' SIOW KIM LUN	150,000	-	-	150,000
DATO' YEONG KOK HEE	230,000	-	-	230,000
ONG TECK CHUAN	150,000	-	-	150,000

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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	----- Ordinary Shares of RM0.50 each -----			
	As at 1.5.12	Bought	(Sold)	As at 30.4.13
Indirect Interest¹				
TAN CHING KEE	2,367,995	-	-	2,367,995
TAN CHONG BOON	69,000	-	-	69,000

- ¹ Deemed interests pursuant to Section 134 (12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse direct interests in the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than those benefits disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest other than any benefits which may be deemed to have arisen from the transactions entered into by the Company as mentioned in Note 28 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- a) Before the statement of comprehensive income and statement of financial position of the Group and of the Company were made out, the Directors took reasonable steps :-
- to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts;
 - to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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- b) At the date of this report, the Directors are not aware of any circumstances which would render :-
 - i) the amount written off for bad debts or the amount of the allowance for impairment of receivables in the Group and the Company inadequate to any substantial extent;
 - ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e) As at the date of this report there does not exist :-
 - i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- f) In the opinion of the Directors :-
 - i) no contingent liability or other liabilities has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due;
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in note 33 to the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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AUDITORS

The auditors, Tai,Yapp & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.



TAN CHING KEE



NG CHONG TIN

Balakong
Dated : 22 AUG 2013

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30TH APRIL 2013

		2013	2012
	Note	RM	RM
Revenue	5	86,932,311	84,684,437
Cost of sales		<u>(78,024,918)</u>	<u>(74,551,525)</u>
Gross profit		8,907,393	10,132,912
Other income		3,790,398	478,020
Distribution costs		(904,557)	(1,006,320)
Administrative expenses		(5,071,790)	(4,832,270)
Other expenses		<u>(1,952,433)</u>	<u>(1,976,524)</u>
Profit from operations		4,769,011	2,795,818
Finance costs		<u>(1,963,465)</u>	<u>(1,523,917)</u>
Profit before taxation	6	2,805,546	1,271,901
Taxation	7	<u>(92,564)</u>	<u>(470,857)</u>
Profit after taxation		2,712,982	801,044
Other comprehensive income, net of tax :			
Revaluation surplus on property		-	6,070,744
Foreign exchange translation differences		(424,592)	(3,283)
		(424,592)	6,067,461
Total comprehensive income		<u>2,288,390</u>	<u>6,868,505</u>
Earnings per ordinary share (sen) - Basic	8	<u>2.74</u>	<u>0.81</u>

The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30TH APRIL 2013

		2013	2012
	Note	RM	RM
Revenue	5	1,952,000	1,548,000
Other income		520,977	725,491
Administrative expenses		(2,229,379)	(2,034,088)
Other expenses		<u>(189,586)</u>	<u>(117,247)</u>
Profit from operations		54,012	122,156
Finance costs		<u>-</u>	<u>-</u>
Profit before taxation	6	54,012	122,156
Taxation	7	<u>(82,689)</u>	<u>(33,224)</u>
(Loss)/Profit after taxation		(28,677)	88,932
Other comprehensive income		-	-
Total comprehensive (expense)/income		<u><u>(28,677)</u></u>	<u><u>88,932</u></u>

The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH APRIL 2013

	Note	30.4.13 RM	30.4.12 RM	1.5.11 RM
NON CURRENT ASSETS				
Property, plant and equipment	9	45,278,618	44,223,894	40,894,868
Investment property	10	562,999	565,739	-
		<u>45,841,617</u>	<u>44,789,633</u>	<u>40,894,868</u>
CURRENT ASSETS				
Inventories	12	41,187,082	46,305,427	39,480,801
Trade receivables	13	27,309,521	23,682,838	19,967,069
Other receivables, deposits and prepayments	14	1,002,935	1,924,521	674,336
Tax recoverable		783,480	465,509	764,980
Cash and bank balances	16	3,029,512	1,491,740	1,124,384
		<u>73,312,530</u>	<u>73,870,035</u>	<u>62,011,570</u>
TOTAL ASSETS		<u>119,154,147</u>	<u>118,659,668</u>	<u>102,906,438</u>
EQUITY				
Share capital	17	50,000,000	50,000,000	50,000,000
Treasury shares	18	(347,808)	(340,617)	(145,441)
Reserves	19	22,698,415	20,410,025	13,541,520
Total equity		<u>72,350,607</u>	<u>70,069,408</u>	<u>63,396,079</u>
NON CURRENT LIABILITIES				
Hire purchase payables	20	1,340,935	1,117,677	1,580,593
Term loans	21	2,193,829	1,733,912	2,716,705
Deferred taxation	22	1,922,266	2,233,141	1,652,148
		<u>5,457,030</u>	<u>5,084,730</u>	<u>5,949,446</u>
CURRENT LIABILITIES				
Trade payables	23	11,278,157	8,089,682	7,626,521
Other payables and accruals	24	837,609	930,317	793,396
Hire purchase payables	20	782,205	462,916	429,005
Term loans	21	1,090,195	1,219,667	1,516,091
Short term borrowings	25	27,212,769	32,740,780	23,128,564
Taxation		145,575	62,168	67,336
		<u>41,346,510</u>	<u>43,505,530</u>	<u>33,560,913</u>
Total liabilities		<u>46,803,540</u>	<u>48,590,260</u>	<u>39,510,359</u>
TOTAL EQUITY AND LIABILITIES		<u>119,154,147</u>	<u>118,659,668</u>	<u>102,906,438</u>

The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 30TH APRIL 2013

	Note	30.4.13 RM	30.4.12 RM	1.5.11 RM
NON CURRENT ASSET				
Investment in subsidiary companies	11	43,340,079	43,340,079	41,918,309
		<u>43,340,079</u>	<u>43,340,079</u>	<u>41,918,309</u>
CURRENT ASSETS				
Other receivables, deposits and prepayments	14	1,100	1,100	3,100
Amount owing by subsidiary companies	15	16,812,412	10,627,493	10,992,242
Tax recoverable		-	3,276	-
Cash and bank balances	16	221,919	147,092	29,898
		<u>17,035,431</u>	<u>10,778,961</u>	<u>11,025,240</u>
TOTAL ASSETS		<u>60,375,510</u>	<u>54,119,040</u>	<u>52,943,549</u>
EQUITY				
Share capital	17	50,000,000	50,000,000	50,000,000
Treasury shares	18	(347,808)	(340,617)	(145,441)
Reserves	19	2,947,140	2,975,817	2,886,885
Total equity		<u>52,599,332</u>	<u>52,635,200</u>	<u>52,741,444</u>
CURRENT LIABILITIES				
Other payables and accruals	24	225,678	177,248	189,769
Amount owing to subsidiary companies	15	7,497,925	1,306,592	-
Taxation		52,575	-	12,336
		<u>7,776,178</u>	<u>1,483,840</u>	<u>202,105</u>
Total liabilities		7,776,178	1,483,840	202,105
TOTAL EQUITY AND LIABILITIES		<u>60,375,510</u>	<u>54,119,040</u>	<u>52,943,549</u>

The accompanying notes form an integral part of the financial statements.

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The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH APRIL 2013**

	<u>Non Distributable</u>		<u>Distributable</u>		
	Share Capital RM	Treasury Shares RM	Share Premium RM	Unappropriated Profit RM	Total Equity RM
Balance at 1st May 2011	50,000,000	(145,441)	2,232,152	654,733	52,741,444
Total comprehensive income	-	-	-	88,932	88,932
Purchase of treasury shares	-	(195,176)	-	-	(195,176)
Balance at 30th April 2012	50,000,000	(340,617)	2,232,152	743,665	52,635,200
Total comprehensive expense	-	-	-	(28,677)	(28,677)
Purchase of treasury shares	-	(7,191)	-	-	(7,191)
Balance at 30th April 2013	<u>50,000,000</u>	<u>(347,808)</u>	<u>2,232,152</u>	<u>714,988</u>	<u>52,599,332</u>

The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30TH APRIL 2013

	Note	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,805,546	1,271,901
Adjustments for :-			
Unrealised loss/(gain) on foreign exchange		22,063	(29,684)
Depreciation of property, plant and equipment		2,730,055	3,450,786
Amortisation of long term leasehold land		91,875	61,714
Depreciation of investment property		2,740	2,284
Allowance for impairment of receivables written back		(53,683)	(178,775)
Impairment loss on investment property		-	100,000
Deposit written off		37,055	6,000
Gain on disposal of property, plant and equipment		(3,606,658)	-
Property, plant and equipment written off		-	1,533
Impairment loss on property, plant and equipment written back		-	(103,232)
Interest expenses		1,963,465	1,523,917
Interest income		(10,282)	(2,061)
Allowance for impairment of receivables		94,275	286,205
Operating profit before working capital changes		4,076,451	6,390,588
Decrease/(Increase) in inventories		5,118,345	(6,824,626)
Increase in receivables		(2,841,344)	(5,535,107)
Increase in payables		3,123,125	610,378
Cash generated from/(absorbed in) operations		9,476,577	(5,358,767)
Interest paid		(1,963,465)	(1,523,917)
Interest received		10,282	2,061
Net taxes paid		(660,573)	(157,199)
Net cash provided by/(used in) operating activities		6,862,821	(7,037,822)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		8,084,102	-
Purchase of investment property		-	(286,918)
Purchase of property, plant and equipment	(b)	(7,581,706)	(107,444)
Net cash provided by/(used in) investing activities		502,396	(394,362)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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	2013	2012
	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(7,191)	(195,176)
Repayment of hire purchase payables	(485,837)	(429,005)
(Repayment)/Proceeds of bank borrowings	(5,009,510)	5,798,837
Net cash (used in)/provided by financing activities	(5,502,538)	5,174,656
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,862,679	(2,257,528)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(3,792,489)	(1,524,308)
EFFECT OF EXCHANGE RATE CHANGES	(254,348)	(10,653)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>(2,184,158)</u>	<u>(3,792,489)</u>

Note :-

(a) Cash and cash equivalents :-

Cash and bank balances	3,029,512	1,491,740
Bank overdrafts (Note 25)	(5,213,670)	(5,284,229)
	<u>(2,184,158)</u>	<u>(3,792,489)</u>

(b) Purchase of Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM8,610,090 (2012 : RM107,444) of which RM1,028,384 (2012 : Nil) was acquired by means of hire purchase. Cash payment of RM7,581,706 (2012 : RM107,444) were made to purchase property, plant and equipment.

The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)
STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30TH APRIL 2013

	2013	2012
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	54,012	122,156
Adjustments for :-		
Interest income	(520,977)	(648,379)
Unrealised gain on foreign exchange	-	(76,969)
Operating loss before working capital changes	(466,965)	(603,192)
Decrease in receivables	-	2,000
Increase/(Decrease) in payables	48,430	(12,521)
Cash absorbed in operations	(418,535)	(613,713)
Interest received	520,977	648,379
Tax paid	(26,838)	(48,836)
Net cash provided by/(used in) operating activities	75,604	(14,170)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in subsidiary company	-	(115,178)
Repayment from subsidiary companies	6,414	441,718
Net cash provided by investing activities	6,414	326,540
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(7,191)	(195,176)
Net cash used in financing activities	(7,191)	(195,176)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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	2013	2012
	RM	RM
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,827	117,194
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	147,092	29,898
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>221,919</u>	<u>147,092</u>

Note :**Cash and cash equivalents :-**

Cash and bank balances	<u>221,919</u>	<u>147,092</u>
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The accompanying notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2013

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. It is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company's registered office is at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur.

The Company's principal place of business is at Lot 1890, Jalan KPB 9, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
2.1 Statement of Compliance

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 22nd August 2013.

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia. These are the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia. During the financial year, the Group and the Company had adopted the following MFRSs and Interpretations which are mandatory for the current financial year :-

MFRSs	IFRSs	Title
MFRS 1	IFRS 1	First-time Adoption of Financial Reporting Standards
MFRS 2	IFRS 2	Share-based Payment
MFRS 4	IFRS 4	Insurance Contracts
MFRS 5	IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	IFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	IFRS 7	Financial Instruments : Disclosures
MFRS 8	IFRS 8	Operating Systems
MFRS 101	IAS 1	Presentation of Financial Statements

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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MFRSs	IFRSs	Title
MFRS 102	IAS 2	Inventories
MFRS 107	IAS 7	Statement of Cash Flows
MFRS 108	IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	IAS 10	Events after the Reporting Period
MFRS 111	IAS 11	Construction Contracts
MFRS 112	IAS 12	Income Taxes
MFRS 116	IAS 16	Property, Plant and Equipment
MFRS 117	IAS 17	Leases
MFRS 118	IAS 18	Revenue
MFRS 119	IAS 19	Employee Benefits
MFRS 120	IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	IAS 21	The Effects of Changes in Foreign Exchange Rates
MFRS 123	IAS 23	Borrowing Costs
MFRS 124	IAS 24	Related Party Disclosures
MFRS 126	IAS 26	Accounting and Reporting by Retirement Benefit Plan
MFRS 127	IAS 27	Separate Financial Statements
MFRS 128	IAS 28	Investments in Associates and Joint Ventures
MFRS 129	IAS 29	Financial Reporting in Hyperinflationary Economies
MFRS 131	IAS 31	Interests in Joint Ventures
MFRS 132	IAS 32	Financial Instruments : Presentation
MFRS 133	IAS 33	Earnings per Share
MFRS 134	IAS 34	Interim Financial Reporting
MFRS 136	IAS 36	Impairment of Assets
MFRS 137	IAS 37	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	IAS 38	Intangible Assets
MFRS 139	IAS 39	Financial Instruments : Recognition and Measurement
MFRS 140	IAS 40	Investment Property
MFRS 141	IAS 41	Agriculture
IC Int. 1	IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 4	IFRIC 4	Determining whether an Arrangement contains a Lease
IC Int. 5	IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Int. 6	IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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MFRSs	IFRSs	Title
IC Int. 7	IFRIC 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Int. 9	IFRIC 9	Reassessment of Embedded Derivatives
IC Int. 10	IFRIC 10	Interim Financial Reporting and Impairment
IC Int. 12	IFRIC 12	Service Concession Arrangements
IC Int. 13	IFRIC 13	Customer Loyalty Programmes
IC Int. 14	IFRIC 14	MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Int. 15	IFRIC 15	Agreements for the Construction of Real Estate
IC Int. 16	IFRIC 16	Hedges of Net Investment in a Foreign Operation
IC Int. 17	IFRIC 17	Distribution of Non-cash Assets to Owners
IC Int. 18	IFRIC 18	Transfers of Assets from Customers
IC Int. 19	IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int. 107	SIC 7	Introduction to the Euro
IC Int. 110	SIC 10	Government Assistance – No Specific Relation to Operating Activities
IC Int. 112	SIC 12	Consolidation – Special Purpose Entities
IC Int. 113	SIC 13	Jointly Controlled Entities – Non-monetary Contributions by Ventures
IC Int. 115	SIC 15	Operating Leases – Incentives
IC Int. 125	SIC 25	Income taxes – Changes in the Tax Status of an Entity or its Shareholders
IC Int. 127	SIC 27	Evaluation the Substance of Transactions Involving the Legal Form of a Lease
IC Int. 129	SIC 29	Service Concession Arrangements : Disclosures
IC Int. 131	SIC 31	Revenue – Barter Transactions Involving Advertising Services
IC Int. 132	SIC 32	Intangible Assets – Web Site Costs

The financial impacts on transition to the above MFRSs are disclosed in Note 30.

At the date of authorisation of these financial statements, the following MFRSs, Amendments to MFRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company :

Effective for financial periods beginning on or after 1st July 2012

Amendments to MFRS 101 Presentation of items of Other Comprehensive Income

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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Effective for financial periods beginning on or after 1st January 2013

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS – Government Loans
Amendments to MFRS 7	Financial Instruments : Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements : Transition Guidance
Amendments to MFRS 11	Joint Arrangements : Transition Guidance
Amendments to MFRS 12	Disclosure of Interest in Other Entities : Transition Guidance

Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

Effective for financial periods beginning on or after 1st January 2014

Amendments to MFRS 132	Financial Instruments : Presentation – Offsetting Financial Assets and Financial Liabilities
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Effective for financial periods beginning on or after 1st January 2015

Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures
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The management anticipates that the adoption of the above MFRSs will not have significant impact on the financial position and financial performance of the Group and of the Company.

2.2 Basis of Measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention and other measurement basis otherwise indicated in the respective accounting policies as set out below.

2.3 Functional and Presentation Currency

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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2.4 Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the respective notes.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

(a) Useful lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition the estimation of the useful lives of property, plant and equipment are based on internal evaluation and experience with similar assets. It is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(b) Impairment of loan and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers the factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

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(c) Valuation of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company deducting all of its liabilities.

3.1.1 Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.1.2 Treasury Shares

When the Company reacquires its own equity instruments, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expense and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

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The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3.3 Subsidiary Companies

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investment in subsidiaries are stated in the Company's statement of financial position at cost less impairment losses.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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3.4 Property, Plant and Equipment

Freehold land and buildings are stated at revalued amount which are the fair values at the date of the revaluation less any impairment losses. Freehold land is not depreciated. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers on 30th April 2012. Revaluations are performed with sufficient regularity to ensure that the fair value of revalued assets do not differ materially from that which would be determined using fair values at the reporting date.

Capital work in progress is not depreciated until the assets are ready for its intended use. All other items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated to write off the cost of other property, plant and equipment on a straight-line basis over the estimated useful lives of the assets concerned. The principal annual depreciation rates used for this purpose are as follows :-

	%
Freehold buildings	2
Long term leasehold land	Over the remaining lease period
Long term leasehold building	2
Low cost apartments	2
Plant and machinery	12 – 20
Factory equipment	12
Cranes	20
Motor vehicles	20
Furniture, fittings and office equipment	10 – 20
Electrical fittings	10
Container/Cabin	20

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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3.5 Investment Property

Investment property, consisting of freehold land and building, is held to earn rentals and/or for capital appreciation. Investment property is stated at cost, including transaction costs, less accumulated depreciation and impairment losses, consistent with the accounting policy for property, plant and equipment.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

Freehold land is stated at cost and is not depreciated. The annual depreciation rate for buildings is 2% calculated on the straight line basis based on the remaining estimated useful lives of the buildings.

The estimated useful lives, residual values and depreciation method of investment property are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

3.6 Income Taxes

Income taxes comprise current and deferred tax. Tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences : the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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3.7 Impairment**(i) Financial assets**

All financial assets (except for investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation losses are credited to profit or loss in the year in which the reversals are recognised.

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The impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

3.8 Foreign Currencies Conversion

3.8.1 Transactions in Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates ruling at the time of transactions or at contracted rates where applicable. Foreign currency assets and liabilities are converted at the exchange rates ruling at the reporting date. All exchange differences are dealt with in the statement of comprehensive income.

3.8.2 Translation of Foreign Currency Financial Statements

Assets and liabilities of foreign subsidiary companies are translated into Ringgit Malaysia at the rates of exchange ruling at the reporting date and the results of foreign subsidiary companies are translated at the average rate of exchange for the year. Exchange differences arising from the retranslation of the opening net investments in foreign subsidiary companies and from the translation of the results of those subsidiary companies at the average rate are dealt with through the Translation Reserve Account.

The exchange rates ruling at reporting date used for each unit of foreign currencies to Ringgit Malaysia are as follows :-

	Average		Year End	
	2013	2012	2013	2012
	RM	RM	RM	RM
1 United States Dollar	-	-	3.029	3.036
100 New Taiwanese Dollar	-	-	-	10.41
100 Indonesian Rupiah	0.03230	0.03425	0.03115	0.03305

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value after due allowances are made for damaged, obsolete and slow moving items. Cost is principally determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of raw materials includes the original purchase price and the incidental expense incurred in bringing the inventories to their present location and condition. The cost of work in progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.

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3.10 Leases**(i) Classification**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of leases classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as held under a finance lease; and

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of assets acquired, are recognised in the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodical rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in note 3.4.

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(iii) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land elements in proportion to the relative fair values for leasehold interests in the land element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

3.11 Revenue Recognition

Revenue of the Group and of the Company are recognised on the following basis :

- 3.11.1 Revenue from sale of goods are recognised upon the delivery of goods and customer's acceptance.
- 3.11.2 Rental income and management fees are recognised on accrual basis.
- 3.11.3 Dividend income is recognised when the shareholder's right to receive payment is established.
- 3.11.4 Interest income is recognised as it accrues using the effective interest method in profit or loss.

3.12 Segment Information

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

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3.13 Provision for Liabilities

Provision for liabilities are recognised when the Group has present obligations as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.14 Employee Benefit Costs**Short term benefits**

Wages, salaries, bonuses, social security contributions, paid annual leave and paid sick leave are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

Short term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leaves are recognised when the absences occur.

Defined contribution plan

Contributions to the Employees' Provident Fund are charged to the statement of comprehensive income in the year to which they relate.

3.15 Borrowing Costs

All borrowing costs are recognized in profit or loss in the period they are incurred. Borrowing costs consist of interest that the Group incurred in connection with borrowing of funds.

3.16 Financial Assets and Liabilities

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss at inception is not revocable.

Financial assets are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. When financial assets are recognised initially, they are measured at their fair values.

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Purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. A financial asset is derecognised where the contractual rights to receive cash flows from the asset has expired or has been transferred and the Group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss. Financial liabilities within the scope of MFRS 139 are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

3.16.1 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are presented as "trade and other receivables", "cash and cash equivalents" and where applicable, "amount owing by subsidiary companies" on the statement of financial position.

Trade and other Receivables

Trade and other receivables which are normally settled within 30 to 90 days are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of comprehensive income. When the asset becomes uncollectible, it is written off against the allowance account.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank with financial institutions that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in values. For the purposes of the statement of cash flows, cash and cash equivalents are shown net of bank overdraft.

Trade and other Payables

Trade and other payables are normally settled within 30 to 90 days. They are initially measured at fair value, subsequently at amortised cost using the effective interest method.

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4. PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in Note 11 to the financial statements.

5. REVENUE

Revenue represents invoiced value of goods sold net of discounts and returns and services rendered.

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
These represent :				
Sales of goods	86,932,311	84,684,437	-	-
Management fees	-	-	1,800,000	1,548,000
Secondment fees	-	-	152,000	-
	<u>86,932,311</u>	<u>84,684,437</u>	<u>1,952,000</u>	<u>1,548,000</u>
	=====	=====	=====	=====

6. PROFIT BEFORE TAXATION

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
This is stated after charging :-				
Auditors' remuneration				
- current year	57,106	50,000	12,000	12,000
- underprovision in prior year	-	6,000	-	1,000
Allowance for impairment of receivables	94,275	286,205	-	-
Amortisation of long term leasehold land	91,875	61,714	-	-
Depreciation of investment property	2,740	2,284	-	-
Depreciation of property, plant and equipment	2,730,055	3,450,786	-	-
Directors' emoluments				
- Executive	1,691,193	1,725,549	1,691,193	1,725,549
- Non executive	21,500	22,500	21,500	22,500
Directors' fees				
- Non-executive	204,000	204,000	204,000	204,000
Interest expenses on :				
- Hire purchase	95,812	125,579	-	-
- LC, TR, Revolving credit and BA interest	1,141,884	974,340	-	-
- Term loan interest	143,464	219,222	-	-
- Overdraft interest	582,305	204,776	-	-

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	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Realised loss on foreign exchange	260,318	-	76,969	-
Unrealised loss on foreign exchange	22,063	-	-	-
Property, plant and equipment written off	-	1,533	-	-
Impairment loss on investment property	-	100,000	-	-
Deposit written off	37,055	6,000	-	-
Staff costs	3,648,835	3,431,349	237,759	25,061
	=====	=====	=====	=====
And crediting:-				
Impairment on property, plant and equipment written back	-	103,232	-	-
Bad debts recovered	-	1,500	-	-
Rental income	97,350	81,750	-	-
Allowance for impairment of receivable written back	53,683	178,775	-	-
Interest income :				
- subsidiary companies	-	-	520,977	648,379
- others	10,282	2,061	-	-
Gain on disposal of property, plant and equipment	3,606,658	-	-	-
Gain on foreign exchange				
- realised	11	51,940	-	143
- unrealised	-	29,684	-	76,969
	=====	=====	=====	=====
Staff costs				
Salaries and wages	3,271,971	3,064,539	210,420	22,000
Contributions to defined contribution plan	293,168	274,021	25,340	2,684
Social security contribution	26,546	26,282	1,999	377
Other benefits	57,150	66,507	-	-
	=====	=====	=====	=====
	3,648,835	3,431,349	237,759	25,061
	=====	=====	=====	=====

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	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
DIRECTORS' REMUNERATION				
Executive				
Salaries and other emoluments	1,510,079	1,540,859	1,510,079	1,540,859
Pension costs				
- defined contribution plans	181,114	184,690	181,114	184,690
	<u>1,691,193</u>	<u>1,725,549</u>	<u>1,691,193</u>	<u>1,725,549</u>
	=====	=====	=====	=====

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM50,200 (2012 : RM50,200) and RM50,200 (2012 : RM50,200) respectively.

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Non-Executive				
- Other emoluments	21,500	22,500	21,500	22,500
- Fees	204,000	204,000	204,000	204,000
	<u>225,500</u>	<u>226,500</u>	<u>225,500</u>	<u>226,500</u>
	=====	=====	=====	=====

The Directors' remuneration during the financial year ended 30th April 2013 fall within the following bands :-

Range of remuneration RM	No. of Executive Directors	No. of Non-Executive Directors
50,001 to 100,000	-	4
250,001 to 300,000	1	-
350,001 to 400,000	1	-
Above 1,000,000	1	-
	<u>3</u>	<u>4</u>
Total	=====	=====

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7. TAXATION

	Group		Company	
	2013	2012	2013	2012
Based on the results for the year :-	RM	RM	RM	RM
Current Tax				
Malaysian Income Tax	401,000	453,000	82,000	34,500
Deferred taxation (Note 22)	(310,875)	19,354	-	-
	90,125	472,354	82,000	34,500
Under/(Over)provision in prior years				
Malaysian Income Tax	2,439	(1,497)	689	(1,276)
Tax expense for the year	92,564	470,857	82,689	33,224

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate :-

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before taxation	2,805,546	1,271,901	54,012	122,156
Tax at Malaysian statutory tax rate of 25% (2012 : 25%)	701,387	317,975	13,503	30,539
Non allowable expenses	129,762	245,306	68,497	3,961
Non taxable income	(901,360)	(24,291)	-	-
Tax effect for tax incentive :				
- reinvestment allowances	(153,155)	(59,289)	-	-
- double deduction	(2,434)	(7,347)	-	-
Deferred tax asset not recognised	315,925	-	-	-
	90,125	472,354	82,000	34,500
Under/(Over)provision in prior years	2,439	(1,497)	689	(1,276)
Tax expense for the year	92,564	470,857	82,689	33,224

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8. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share :-

The basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit after tax divided by the weighted average number of ordinary shares outstanding (adjusted for treasury shares) during the financial year.

	2013	2012
	RM	RM
Consolidated profit after tax	2,712,982	801,044
	=====	=====
Weighted average number of ordinary shares outstanding (adjusted for treasury shares)	98,857,532	99,075,435
	=====	=====
Basic earnings per ordinary share (sen)	2.74	0.81
	=====	=====

9. PROPERTY, PLANT AND EQUIPMENT

Group	As at 1.5.12	Addition	Exchange Difference	(Disposal)	As at 30.4.13
Cost/Valuation	RM	RM	RM	RM	RM
Freehold land and buildings	27,596,777	134,173	-	(4,300,000)	23,430,950
Long term leasehold land and building	8,274,072	4,494,976	(160,038)	-	12,609,010
Low cost apartments	172,921	-	-	-	172,921
Plant and machinery	27,711,882	1,185,970	-	-	28,897,852
Factory equipment	840,628	-	-	-	840,628
Cranes	48,201	-	-	-	48,201
Motor vehicles	3,252,852	538,498	-	(7,669)	3,783,681
Furniture, fittings and office equipment	925,978	17,588	-	-	943,566
Electrical fittings	206,074	3,600	-	-	209,674
Container/Cabin	30,101	3,600	-	-	33,701
Capital work in progress	193,941	2,231,685	(79,455)	(193,941)	2,152,230
	69,253,427	8,610,090	(239,493)	(4,501,610)	73,122,414
	=====	=====	=====	=====	=====

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	As at 1.5.12	Charge for the year	(Disposal)	As at 30.4.13
Accumulated Depreciation/ Amortisation	RM	RM	RM	RM
Freehold land and buildings	1,358,275	165,238	-	1,523,513
Long term leasehold land and building	574,073	147,875	-	721,948
Low cost apartments	22,921	3,000	-	25,921
Plant and machinery	18,600,178	2,131,816	-	20,731,994
Factory equipment	625,740	83,198	-	708,938
Cranes	48,199	-	-	48,199
Motor vehicles	2,993,567	203,863	(7,667)	3,189,763
Furniture, fittings and office equipment	608,604	65,935	-	674,539
Electrical fittings	167,881	20,945	-	188,826
Container/Cabin	30,095	60	-	30,155
Capital work in progress	-	-	-	-
	25,029,533	2,821,930	(7,667)	27,843,796

	Net Book Value		Depreciation Charge	
	2013	2012	2013	2012
	RM	RM	RM	RM
Freehold land and buildings	21,907,437	26,238,502	165,238	171,781
Long term leasehold land and building	11,887,062	7,699,999	147,875	118,242
Low cost apartments	147,000	150,000	3,000	2,800
Plant and machinery	8,165,858	9,111,704	2,131,816	2,709,449
Factory equipment	131,690	214,888	83,198	96,993
Cranes	2	2	-	-
Motor vehicles	593,918	259,285	203,863	326,799
Furniture, fittings and office equipment	269,027	317,374	65,935	65,851
Electrical fittings	20,848	38,193	20,945	20,585
Container/Cabin	3,546	6	60	-
Capital work in progress	2,152,230	193,941	-	-
	45,278,618	44,223,894	2,821,930	3,512,500

As at the reporting date, the titles for the low cost apartments of the Group have yet to be issued by the relevant authority.

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Included in property, plant and equipment are the following that were acquired under hire purchase arrangements :-

	2013		2012	
	Cost	Net Book Value	Cost	Net Book Value
	RM	RM	RM	RM
Plant and machinery	3,360,775	2,576,094	2,780,775	2,335,587
Motor vehicles	448,385	435,540	92,000	72,067
	-----	-----	-----	-----
	3,809,160	3,011,634	2,872,775	2,407,654
	=====	=====	=====	=====

The cost and net book value of property, plant and machinery pledged to financial institutions for banking facilities granted to the Group as mentioned in Notes 21 and 25 are as follows :-

	2013		2012	
	Cost/ Valuation	Net Book Value	Cost	Net Book Value
	RM	RM	RM	RM
Long term leasehold land and building	12,609,010	11,887,062	8,274,072	7,699,999
Freehold land and buildings	23,430,950	21,907,437	27,790,718	26,432,443
Plant and machinery	11,004,655	1,562,501	11,004,655	2,332,281
Capital work in progress	2,152,230	2,152,230	-	-
	-----	-----	-----	-----
	49,496,845	37,509,230	47,069,445	36,464,723
	=====	=====	=====	=====

	At Cost	At Valuation	Total
Analysis of Cost/Valuation	RM	RM	RM
Freehold land and buildings	-	23,430,950	23,430,950
Long term leasehold land and building	4,334,938	8,274,072	12,609,010
Low cost apartments	-	172,921	172,921
Plant and machinery	28,897,852	-	28,897,852
Factory equipment	840,628	-	840,628
Cranes	48,201	-	48,201
Motor vehicles	3,783,681	-	3,783,681
Furniture, fittings and office equipment	943,566	-	943,566
Electrical fittings	209,674	-	209,674
Container/Cabin	33,701	-	33,701
Capital work in progress	2,152,230	-	2,152,230
	-----	-----	-----
	41,244,471	31,877,943	73,122,414
	=====	=====	=====

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The freehold land and buildings, and low cost apartments are stated at valuation based on an independent professional valuation by Messrs Raine & Horne International Zaki + Partners Sdn Bhd using the market value basis on 30th April 2012.

The long term leasehold land and building relate to a parcel of leasehold land which was revalued on 30th April 2012 based on an independent professional valuation by Messrs Raine & Horne International Zaki + Partners Sdn Bhd using the market value basis.

Had the revalued freehold land and buildings, leasehold land and building and low cost apartments been carried at historical cost less accumulated depreciation and impairment losses, the net book value of each class of properties would have been as follows:

	2013	2012
	RM	RM
Freehold land and building	11,088,121	21,477,802
Leasehold land and building	5,076,673	5,852,317
Low cost apartments	111,975	125,999
	=====	=====
	16,276,769	27,456,118
	=====	=====

10. INVESTMENT PROPERTY

Group	Balance as at 1.5.12	Additions	Balance as at 30.4.13
Cost	RM	RM	RM
Freehold land and building	668,023 =====	- =====	668,023 =====
Accumulated Depreciation/ Impairment Loss	Balance as at 1.5.12	Charge for the year	Balance as at 30.4.13
	RM	RM	RM
Freehold land and building	102,284 =====	2,740 =====	105,024 =====
	Net Book Value	Depreciation Charge	
	2013	2012	2013
	RM	RM	RM
Freehold land and building	562,999 =====	565,739 =====	2,740 =====
			2,284 =====

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The investment property is pledged to a financial institution for banking facilities granted to the Company as mentioned in note 21 and note 25.

11. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2013	2012
	RM	RM
Unquoted shares, at cost		
At 1st May	43,340,079	41,918,309
Investment in PT WZ Steel	-	1,421,770
	-----	-----
At 30th April	43,340,079	43,340,079
	=====	=====

The Company carried out a review of the recoverable amount on its investment in subsidiaries during the financial year. As a result of the review, no impairment loss was deemed necessary. The recoverable amount was based on the net asset value of the subsidiaries.

The subsidiary companies are :-

Name Direct Subsidiary	Place of Incorporation	Effective Interest		Principal activities
		2013	2012	
		%	%	
Weng Zheng Sdn Bhd	Malaysia	100	100	Manufacturing and processing of cold drawn bright steel products and related steel products
Weng Zheng Trading Sdn Bhd	Malaysia	100	100	Dealers in steel products
Weng Zheng Marketing Sdn Bhd	Malaysia	100	100	Processing and marketing of all types of steel products
PT WZ Steel*	Indonesia	100	100	Manufacturing and processing of cold drawn bright steel products (Pre- operating)

* Audited by other firm of chartered accountants for the year ended 30th April 2013.

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12. INVENTORIES

	Group	
	2013	2012
At cost	RM	RM
Raw materials	5,437,403	10,132,836
Trading goods	26,212,273	25,609,668
Finished goods	9,537,406	10,562,923
	<u>41,187,082</u>	<u>46,305,427</u>
	=====	=====

13. TRADE RECEIVABLES

	Group	
	2013	2012
	RM	RM
Total amount outstanding	30,520,860	26,853,585
Less :		
Allowance for impairment of receivables		
At 1st May	(3,170,747)	(3,063,317)
Allowance written back	53,683	178,775
Allowance during the year	(94,275)	(286,205)
At 30th April	(3,211,339)	(3,170,747)
	<u>27,309,521</u>	<u>23,682,838</u>
	=====	=====

The credit terms of trade receivables range from 30 to 120 days. Other credit terms are assessed and approved on a case by case basis.

The trade receivables of the Group in the local and foreign denominated currencies are as follows :-

	2013	2012
	RM	RM
Ringgit Malaysia	18,448,246	19,627,877
US Dollar	8,861,275	4,054,961
	<u>27,309,521</u>	<u>23,682,838</u>
	=====	=====

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14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Other receivables	9,140	1,120,034	100	100
Deposits	771,774	626,448	1,000	1,000
Prepayments	222,021	178,039	-	-
	-----	-----	-----	-----
	1,002,935	1,924,521	1,100	1,100
	=====	=====	=====	=====

Included in deposits of the Group is an amount of RM548,405 (2012 : RM492,359) placed as security advance to a supplier of a subsidiary company for purchase of second grade pipes.

15. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

The amount owing by subsidiary companies is unsecured, bears an interest rate of 6% (2012 : 6%) per annum and is repayable upon demand.

The amount owing to subsidiary company is unsecured, interest free and repayable upon demand.

16. CASH AND BANK BALANCES

The currency exposure profile is as follows :-

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Ringgit Malaysia	354,345	402,372	221,919	147,092
US Dollar	1,706,040	1,079,991	-	-
Indonesian Rupiah	969,127	9,377	-	-
	-----	-----	-----	-----
	3,029,512	1,491,740	221,919	147,092
	=====	=====	=====	=====

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17. SHARE CAPITAL

	Group and Company	
	2013	2012
	RM	RM
Authorised :-		
200,000,000 ordinary shares of RM0.50 each	100,000,000 =====	100,000,000 =====
Issued and fully paid :		
100,000,000 ordinary shares of RM0.50 each	50,000,000 =====	50,000,000 =====

18. TREASURY SHARES
Group and Company

This amount relates to the acquisition cost of treasury shares.

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 18th October 2012, renewed their approval for the Company's plan to repurchase its own ordinary shares subject to the following :-

- i) The aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed 10% of the issued and paid up capital of the Company at any point in time; and
- ii) The maximum amount of funds available for the Shares Buy-Back shall not exceed the total retained profit and share premium account of the Company.

During the financial year, the Company repurchased 25,000 (2012 : 651,000) of its issued ordinary shares from the open market at an average price of RM0.29 (2012 : RM0.30) per share. The total consideration paid for the repurchase was RM7,191 (2012 : RM195,176), comprising consideration paid amounting to RM7,100 (2012 : RM193,727) and transaction costs of RM91 (2012 : RM1,449). The repurchase transactions were financed by internally generated funds.

All shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965. There had been no resale or cancellation of treasury shares during the financial year.

Of the total 100,000,000 (2012 : 100,000,000) issued and fully paid ordinary shares as at 30th April 2013, 1,147,000 (2012 : 1,122,000) are held as treasury shares by the Company. As at 30th April 2013, the number of outstanding ordinary shares in issue after the set-off is therefore 98,853,000 (2012 : 98,878,000) ordinary shares of RM0.50.

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19. RESERVES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Non-Distributable				
Share premium	2,232,152	2,232,152	2,232,152	2,232,152
Revaluation reserve	5,352,727	6,070,744	-	-
Translation reserve	(427,875)	(3,283)	-	-
	7,157,004	8,299,613	2,232,152	2,232,152
Distributable				
Unappropriated profit	15,541,411	12,110,412	714,988	743,665
	<u>22,698,415</u>	<u>20,410,025</u>	<u>2,947,140</u>	<u>2,975,817</u>

20. HIRE PURCHASE PAYABLES

	Group	
	2013	2012
	RM	RM
Total principal outstanding	2,123,140	1,580,593
Less : Repayable within the next twelve months shown under current liabilities	(782,205)	(462,916)
Repayable after the next twelve months	<u>1,340,935</u>	<u>1,117,677</u>
Represented by :		
Minimum hire purchase payments :		
- Within one year	890,764	554,570
- After one year but not more than five years	1,409,711	1,206,221
	<u>2,300,475</u>	<u>1,760,791</u>
Less: Future interest charges	(177,335)	(180,198)
Present value of hire purchase liabilities	<u>2,123,140</u>	<u>1,580,593</u>

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21. TERM LOANS

	Group	
	2013	2012
	RM	RM
Total principal sum outstanding	3,284,024	2,953,579
Less :		
Repayable within the next twelve months shown under non current liabilities	(1,090,195)	(1,219,667)
Repayable after the next twelve months	2,193,829	1,733,912
	=====	=====
Repayments as follows :-		
Within twelve months	1,090,195	1,219,667
Between one to two years	888,084	980,010
Between two to five years	1,008,938	753,902
After five years	296,807	-
	3,284,024	2,953,579
	=====	=====

The term loans are secured by :-

- i) Legal charges over the leasehold land and building and the freehold land and buildings of certain subsidiary companies as mentioned in Note 9 and Note 10;
- ii) Debentures over certain plant and machinery of a subsidiary company as mentioned in Note 9;
- iii) Corporate guarantee given by the Company;
- iv) Joint and several guarantees by certain directors of the Company.

The above term loans bear interest rates ranging from 4.42% to 10.50% (2012 : 4.42% to 7.35%) per annum and are repayable over periods of between 36 to 120 monthly instalments from the date of full drawdown of the term loan.

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22. DEFERRED TAXATION

	Group	
	2013	2012
	RM	RM
At 1st May	2,233,141	1,652,148
Recognised in statement of comprehensive income (Note 7)	(310,875)	19,354
Deferred tax arising from revaluation surplus of property, plant and equipment	-	561,639
At 30th April	1,922,266	2,233,141

The components and movements of deferred tax liabilities/(assets) of the Group are as follows:-

Deferred tax liabilities/(assets) of the Group :	Accelerated capital allowances	Other temporary differences	Fair value adjustment	Unabsorbed reinvestment allowance	Total
	RM	RM	RM	RM	RM
At 1st May 2012	1,603,399	7,500	1,188,342	(566,100)	2,233,141
Recognised in statement of comprehensive income	(184,099)	(12,394)	(24,082)	(90,300)	(310,875)
At 30th April 2013	1,419,300	(4,894)	1,164,260	(656,400)	1,922,266
Deferred tax liabilities/(assets) of the Group :	Accelerated capital allowances	Other temporary differences	Fair value adjustment	Unabsorbed reinvestment allowance	Total
	RM	RM	RM	RM	RM
At 1st May 2011	1,822,300	(23,000)	640,048	(787,200)	1,652,148
Recognised in statement of comprehensive income	(218,901)	30,500	(13,345)	221,100	19,354
Revaluation surplus of property, plant and equipment	-	-	561,639	-	561,639
At 30th April 2012	1,603,399	7,500	1,188,342	(566,100)	2,233,141

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The Group has potential deferred tax assets not taken up in the financial statements under the liability method in respect of the following deductible temporary differences :-

	2013	2012
	RM	RM
Unabsorbed tax losses	(315,925)	-
	=====	=====

The above deferred tax asset is available indefinitely to offset against future taxable profit of the subsidiary company in which this item arose. Deferred tax asset has not been recognised in respect of this item as it may not be used to offset future taxable profit of the subsidiary company.

23. TRADE PAYABLES

The credit terms of trade payables range from 14 to 120 days.

The trade payables of the Group in the local and foreign denominated currencies are as follows :-

	Group	
	2013	2012
	RM	RM
US Dollar	520,227	967,046
Ringgit Malaysia	10,757,930	7,104,941
New Taiwanese Dollar	-	17,695
	=====	=====
	11,278,157	8,089,682
	=====	=====

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Other payables	307,470	441,023	21,746	20,657
Accrual	508,389	468,444	203,932	156,591
Deposit received	21,750	20,850	-	-
	=====	=====	=====	=====
	837,609	930,317	225,678	177,248
	=====	=====	=====	=====

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25. SHORT TERM BORROWINGS

	Group	
	2013	2012
Secured	RM	RM
Bank overdrafts	5,138,116	5,259,812
Bankers' acceptance	19,463,874	26,029,750
Revolving credit facilities	2,535,225	1,426,801
	<u>27,137,215</u>	<u>32,716,363</u>
Unsecured		
Bank overdrafts	75,554	24,417
	<u>27,212,769</u>	<u>32,740,780</u>
	=====	=====

The secured short term borrowings of the Group are secured by :-

- i) Legal charges over the leasehold land and building and the freehold land and building of certain subsidiary companies as mentioned in Note 9 and Note 10;
- ii) Corporate guarantee given by the Company and a subsidiary company; and
- iii) Joint and several guarantee by certain directors of the Company.

	2013	2012
Interest rates per annum :	%	%
Bank overdrafts	7.10 to 7.85	7.10 to 8.35
Bankers' acceptance	3.98 to 4.31	2.99 to 4.63
Revolving credit	5.63 to 5.64	5.67

26. SEGMENTAL REPORTING

- (a) Segment information is presented in respect of the Group's business and geographical segments. The primary segment information is in respect of business segments as the Group risk and rates of return are affected predominantly by differences in the products it produces, while the secondary information is reported geographically.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

- (b) The inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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(c) Primary reporting format - Business Segment

The Group's operations comprise the following main business segments :

Manufacturing Manufacturing of steel products

Trading and investment Trading of steel products and investment holding

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other segment information by business segments :

2013	Manufacturing	Trading and investment	Elimination	Consolidation
Revenue	RM	RM	RM	RM
External sales	38,079,433	48,852,878	-	86,932,311
Inter-segment sales	916,921	6,561,542	(7,478,463)	-
Total	38,996,354	55,414,420	(7,478,463)	86,932,311
Results				
Segment results (external)	4,248,509	964,512	(444,010)	4,769,011
Finance costs				(1,963,465)
Profit before taxation				2,805,546
Taxation				(92,564)
Profit after taxation				2,712,982
Other information				
Segment assets	69,851,860	73,612,623	(24,310,336)	119,154,147
Segment liabilities	25,120,559	45,993,317	(24,310,336)	46,803,540
Capital expenditure	7,465,857	1,144,233		8,610,090
Depreciation and amortisation	2,595,622	229,048		2,824,670
Non-cash expenses other than depreciation and amortisation	59,118	94,275		153,393

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2012	Manufacturing	Trading and investment	Elimination	Consolidation
Revenue	RM	RM	RM	RM
External sales	41,910,931	42,773,506	-	84,684,437
Inter-segment sales	455,939	4,149,479	(4,605,418)	-
Total	42,366,870	46,922,985	(4,605,418)	84,684,437
	=====	=====	=====	=====
Results				
Segment results (external)	1,272,852	2,171,045	(648,379)	2,795,818
Finance costs				(1,523,917)
Profit before taxation				1,271,901
Taxation				(470,857)
Profit after taxation				801,044
				=====
Other information				
Segment assets	69,857,388	61,563,293	(12,761,013)	118,659,668
Segment liabilities	29,336,105	32,015,168	(12,761,013)	48,590,260
Capital expenditure	20,738	754,729		775,467
Depreciation and amortisation	3,298,015	216,769		3,514,784
Non-cash expenses other than depreciation and amortisation	3,000	390,738		393,738
				=====

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(d) Secondary reporting format - Geographical Segments

The Group's business segments are in the following geographical areas :

	Sales		Total Assets		Capital Expenditure	
	2013	2012	2013	2012	2013	2012
	RM	RM	RM	RM	RM	RM
Domestic	81,730,661	75,672,705	110,970,182	118,659,668	1,883,429	775,467
Overseas	5,201,650	9,011,732	8,183,965	-	6,726,661	-
	-----	-----	-----	-----	-----	-----
	86,932,311	84,684,437	119,154,147	118,659,668	8,610,090	775,467
	=====	=====	=====	=====	=====	=====

In determining the geographical segments of the Group, sales are based on the country in which the customer is located. There are no sales between segments. Total assets and capital expenditure are determined based on where the assets are located.

27. FINANCIAL INSTRUMENTS
a) Financial risk management policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's normal course of business are as follows :-

i) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position. It will affect the Group's income or the value of its holdings of financial instruments.

The Group's exposures to interest rate risk for changes in interest rates mainly arise from its short term borrowings and term loans. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group's policy is to obtain the most favorable interest rates available for its borrowings and term loans.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM23,142 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

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ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk mostly on its sales and purchases that are denominated in a currency other than the functional currency of the Group. The currency giving rise to this risk is primarily US Dollar.

Based on carrying amounts as at the reporting date, foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below :-

	<u>USD</u> <u>RM</u>
30th April 2013	
Financial Assets	10,567,315
Financial Liabilities	(520,227)

Net exposure	10,047,088
	=====
30th April 2012	
	<u>USD</u> <u>RM</u>
Financial Assets	5,134,952
Financial Liabilities	(967,046)

Net exposure	4,167,906
	=====

Sensitivity analysis for foreign currency risk

The following demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the USD against the Ringgit Malaysia, with all other variables held constant.

		2013	2012
		RM	RM
USD/RM	- strengthened 5%	98,717	161,673
	- weakened 5%	(98,717)	(161,673)
		=====	=====

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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iii) Liquidity Risk

The Group manages liquidity risk by maintaining sufficient working funds to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the financial liabilities (including derivative financial liabilities) of the Group based on contractual undiscounted cash flows.

	On demand or less than 1 year	More than 1 year but not later than 5 years	Total
Group	RM	RM	RM
<u>At 30th April 2013</u>			
Trade and other payables	12,115,766	-	12,115,766
Hire purchase payable	782,205	1,340,935	2,123,140
Term loans	1,090,195	2,193,829	3,284,024
Short term borrowings	27,212,769	-	27,212,769
	-----	-----	-----
	41,200,935	3,534,764	44,735,699
	=====	=====	=====

	On demand or less than 1 year	More than 1 year but not later than 5 years	Total
Group	RM	RM	RM
<u>At 30th April 2012</u>			
Trade and other payables	9,019,999	-	9,019,999
Hire purchase payable	462,916	1,117,677	1,580,593
Term loans	1,219,667	1,733,912	2,953,579
Short term borrowings	32,740,780	-	32,740,780
	-----	-----	-----
	43,443,362	2,851,589	46,294,951
	=====	=====	=====

iv) Credit Risk
a) Financial assets that are neither past due nor impaired

Bank balances are neither past due nor impaired. Bank balances are placed with reputable banks and financial institutions. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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b) Financial assets that are past due and/or impaired

The ageing analysis of trade receivables of the Group are as follows :

	Gross	Individual	Net
	RM	Impairment	RM
2013		RM	
Not past due	14,657,174	-	14,657,174
Past due 1 – 30 days	4,967,795	-	4,967,795
Past due 31 – 60 days	3,210,048	-	3,210,048
Past due 61 – 90 days	1,488,709	-	1,488,709
Over 91 days	6,197,134	(3,211,339)	2,985,795
	<u>30,520,860</u>	<u>(3,211,339)</u>	<u>27,309,521</u>
	=====	=====	=====
	Gross	Individual	Net
	RM	Impairment	RM
2012		RM	
Not past due	11,586,704	-	11,586,704
Past due 1 – 30 days	6,460,327	-	6,460,327
Past due 31 – 60 days	1,998,229	-	1,998,229
Past due 61 – 90 days	992,472	(2,347)	990,125
Over 91 days	5,815,853	(3,168,400)	2,647,453
	<u>26,853,585</u>	<u>(3,170,747)</u>	<u>23,682,838</u>
	=====	=====	=====

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment is as follows:-

	2013	2012
	RM	RM
Gross amount	30,520,860	26,853,585
Less: Allowance for impairment	(3,211,339)	(3,170,747)
	<u>27,309,521</u>	<u>23,682,838</u>
	=====	=====
At 1st May	(3,170,747)	(3,063,317)
Allowance for the year	(94,275)	(286,205)
Written back	53,683	178,775
	<u>(3,211,339)</u>	<u>(3,170,747)</u>
	=====	=====
At 30th April		

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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Receivables that are neither past due nor impaired

Trade receivable that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

At the end of the reporting period, the Group has trade receivables amounting to RM12,652,347 (2012 : RM12,096,134) that are past due but not impaired. These receivables are creditworthy debtors with good payment records in the past.

v) Capital Risk

The Group's objective in managing capital is to safeguard the Group's ability to continue as a going concern.

Management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as short term borrowings plus trade and other payables, hire purchase payables, term loans, less cash and cash equivalents.

Total capital is calculated as equity plus net debt.

	2013	2012
	RM	RM
Net debt	41,706,187	44,803,211
Total equity	72,350,607	70,069,408
Total capital	114,056,794	114,872,619
	=====	=====
Gearing ratio	37%	39%

b) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods and assumptions used to estimate the fair value of each class of financial instruments :-

i) Cash and bank balances, trade and other receivables and payables, amount owing by/(to) subsidiary companies

The carrying amounts approximate fair values due to the relatively short term maturity of these financial assets and liabilities.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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ii) Short term borrowings, term loans and hire purchase payables

The carrying amounts of these financial liabilities are reasonable approximation of fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair Value Hierarchy

As at 30th April 2013, there were no financial instruments carried at fair values.

28. RELATED PARTY DISCLOSURES

For the purpose of the financial statements of the Group and the Company, a party is considered related to the Group and the Company if :-

- (a) directly or indirectly, the party controls, is controlled by, or is under common control within the Group;
- (b) the party is member of the key management personnel of the Group and of the Company; or
- (c) the party is a close member of the family or any individual referred to in (a) or (b) above.

The Group has a related party relationship with :-

- (a) its subsidiary companies; and
- (b) The executive directors who are the key management personnel

The significant related party transactions of the Group and the Company, other than key management personnel compensation as mentioned in Note 6, are as follows :-

	Company	
	2013	2012
	RM	RM
Subsidiary companies		
Management fees	1,800,000	1,548,000
Interest income	520,977	648,379
Secondment fees	152,000	-
	=====	=====

The management and secondment fees were charged based on recovery of costs incurred on behalf of the subsidiary companies and interest was charged at rate within the range of those obtainable in transactions with unrelated parties.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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29. CONTINGENT LIABILITIES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Secured				
Banker's guarantees in favour of third parties	166,468	102,000	-	-
	=====	=====	=====	=====
Unsecured				
Corporate guarantees given to financial institution in respect of credit facilities granted to subsidiary companies	-	-	89,189,253	77,583,000
	=====	=====	=====	=====
Amount of banking facilities utilised by subsidiary companies as at the financial year end	-	-	33,518,378	27,997,515
	=====	=====	=====	=====

30. EXPLANATION OF TRANSITION TO MFRSs

As stated in Note 2.1, these are the first financial statements of the Group and the Company prepared in accordance with MFRSs.

The above accounting policies set out in Note 2 have been applied in the financial statements of the Group and the Company for the financial year ended 30th April 2013, the comparative information presented in these financial statements for the year ended 30th April 2012 and in the preparation of the opening MFRS statement of financial position at 1st May 2011 (the Group's and the Company's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the Group's and the Company's financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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31. CAPITAL COMMITMENT

In respect of purchase of property, plant and equipment :	Group	
	2013	2012
	RM	RM
Authorised and contracted for	2,343,505	5,000,000
Authorised and not contracted for	1,087,251	11,619,223
	=====	=====

32. DISCLOSURE OF REALISED OR UNREALISED UNAPPROPRIATED PROFIT

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Unappropriated profit				
- realised	16,321,480	13,125,528	714,988	743,665
- unrealised	(780,069)	(1,015,116)	-	-
	-----	-----	-----	-----
	15,541,411	12,110,412	714,988	743,665
	=====	=====	=====	=====

The disclosure of realised and unrealised profit or losses is solely for compliance in accordance to the Malaysian Institute of Accountants Guidance of Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements issued on 20 December 2010.

The disclosure of realised and unrealised profits and losses is solely for the purposes of disclosure requirements of Bursa Securities Malaysia Berhad Listing Requirements.

33. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 27th September 2012, the Group entered into a Sale and Purchase Agreement ("SPA") to dispose of a piece of freehold vacant land for a total consideration of RM9,197,510. The disposal was completed on 9th April 2013 in accordance with the terms of the SPA and the gain arising from this disposal is RM3,605,439.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

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WZ STEEL BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, TAN CHING KEE and NG CHONG TIN, being two of the Directors of WZ STEEL BERHAD, do hereby state on behalf of the Directors that, in our opinion, the financial statements set out on pages 6 to 57 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30TH APRIL 2013 and of their results, changes in equity and cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 32 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN CHING KEE

NG CHONG TIN

Balakong
Dated : 22 AUG 2013

STATUTORY DECLARATION

I, TAN CHING KEE, the Director primarily responsible for the financial management of WZ STEEL BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 6 to 57 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the above named TAN CHING KEE at Petaling Jaya
in Selangor on

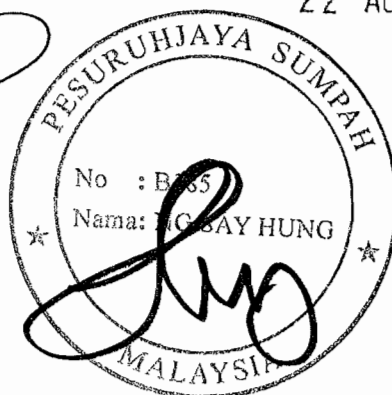
22 AUG 2013

TAN CHING KEE

Before me,

NG SAY HUNG
No : B185

Pesuruhjaya Sumpah
Malaysia



No. 9-3, Jalan PJS 8/4,
Bandar Sunway, 46150
Petaling Jaya, Selangor D.F

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

**TAI, YAPP
& CO.** CHARTERED
ACCOUNTANTS
(AF: 0205)

NO. 3-2, JALAN INDRAHANA 2,
OFF JALAN KUCHAI LAMA, 58200 KUALA LUMPUR.
P.O. BOX 89, JALAN KELANG LAMA POST OFFICE,
58000 KUALA LUMPUR.
TEL: 03-79830277, 79836128
FAX: 03-79819912
EMAIL: audit@taiyapp.com / taiyapp@gmail.com

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WZ STEEL BERHAD
(Incorporated in Malaysia)
(Company No : 666098-X)**

Report on the Financial Statements

We have audited the financial statements of WZ STEEL BERHAD, which comprise the statement of financial position as at 30th April 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statement of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 57.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30th April 2013 and of their financial performance and cash flow for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

TAI, YAPP
& CO. CHARTERED
ACCOUNTANTS
(AF: 0205)

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EMAIL: audit@taiyapp.com / taiyapp@gmail.com

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Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following :

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' reports of the subsidiary company of which we have not acted as auditors, which is indicated in Note 11 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

1. As stated in Note 2 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1st May 2012 with a transition date of 1st May 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as of 30th April 2012 and 1st May 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 30th April 2012 and related disclosures. We were not engaged to report on these comparative information which is now presented in accordance with the Malaysian Financial Reporting Standards and hence, it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30th April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as of 1st May 2012 do not contain misstatements that materially affect the financial position as of 30th April 2013 and financial performance and cash flows for the year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

**TAI, YAPP
& CO.**

CHARTERED
ACCOUNTANTS
(AF: 0205)

NO. 3-2, JALAN INDRAHANA 2,
OFF JALAN KUCHAI LAMA, 58200 KUALA LUMPUR.
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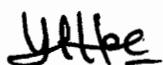
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Other Reporting Responsibilities

The supplementary information as set out in Note 32 in the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.



TAI, YAPP & CO
AF 0205
Chartered Accountants



YAPP HOCK HOE
No: 723/03/14 (J/PH)
Chartered Accountant

Kuala Lumpur
Dated : 22 AUG 2013

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2014

	Current Year Quarter 31/01/2014 RM'000	Preceding Year Quarter 31/01/2013 RM'000	Current Year To Date 31/01/2014 RM'000	Preceding Year To Date 31/01/2013 RM'000
Revenue	22,343	23,226	65,844	64,814
Cost of sales	(19,234)	(22,006)	(56,982)	(58,668)
Gross profit	3,109	1,220	8,862	6,146
Other income	18	3,651	276	3,754
Operations and administrative expenses	(2,910)	(1,794)	(7,160)	(6,026)
Profit from operations	217	3,077	1,978	3,874
Finance costs	(296)	(576)	(1,032)	(1,545)
Share of results of an associate	(490)	-	(490)	-
Profit / (Loss) before tax	(569)	2,501	456	2,329
Income tax expense	710	(3)	289	66
Profit after tax	141	2,498	745	2,395
Other Comprehensive Income / (Expenses):				
Translation of foreign subsidiary	(159)	17	(800)	(242)
Other Comprehensive Income / (Loss) for the period	(159)	17	(800)	(242)
Total Comprehensive Income / (Loss) for the period	(18)	2,515	(55)	2,153
Total Comprehensive Income / (Loss) Attributable to:				
Equity holders of the Company	(18)	2,515	(55)	2,153
Earnings per share (sen):				
Basic	0.14	2.53	0.73	2.42
Diluted	N/A	N/A	N/A	N/A
Net assets per share (sen)			73	73

Notes:

- (i) The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial report.
- (ii) N/A : Not Applicable

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2014**

	Attributable to Equity Holders of the Company						
	Non Distributable					Distributable	
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total Equity RM'000
Balance as at 1 May 2013	50,000	2,232	(428)	5,353	(348)	15,542	72,351
Total comprehensive income for the period	-	-	-	-	-	745	745
Net disposal of treasury shares	-	695	-	-	348	-	1,043
Private placement	5,000	1,723	-	-	-	-	6,723
Translation currency differences for foreign operations	-	-	(800)	-	-	-	(800)
Realisation of revaluation reserve	-	-	-	(24)	-	24	-
Balance as at 31 January 2014	55,000	4,650	(1,228)	5,329	-	16,311	80,062
Balance as at 1 May 2012	50,000	2,232	(3)	6,071	(340)	12,110	70,070
Total comprehensive expenses for the period	-	-	-	-	-	2,395	2,395
Purchase of treasury shares	-	-	-	-	(8)	-	(8)
Translation currency differences for foreign operations	-	-	(242)	-	-	-	(242)
Realisation of revaluation reserve	-	-	-	(686)	-	686	-
Balance as at 31 January 2013	50,000	2,232	(245)	5,385	(348)	15,191	72,215

Note :

- (i) The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014
WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)
(Incorporated in Malaysia)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2014**

	Unaudited 31/01/2014 RM'000	Audited 30/04/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	46,516	45,279
Investment property	-	563
Total non-current assets	<u>46,516</u>	<u>45,842</u>
Current assets		
Inventories	43,166	41,187
Trade receivables	25,275	27,309
Other receivables	1,410	1,003
Tax recoverable	963	783
Asset held for sale	561	-
Fixed deposits with licensed bank	206	-
Cash and bank balances	4,218	3,030
Total current assets	<u>75,799</u>	<u>73,312</u>
TOTAL ASSETS	<u>122,315</u>	<u>119,154</u>
EQUITY AND LIABILITIES		
Share capital	55,000	50,000
Treasury shares	-	(348)
Reserves	25,062	22,698
Total equity	<u>80,062</u>	<u>72,350</u>
Non-current liabilities		
Borrowings	3,354	3,535
Deferred tax liabilities	1,380	1,922
Total non-current liabilities	<u>4,734</u>	<u>5,457</u>
Current liabilities		
Trade payables	8,835	11,278
Other payables	1,449	838
Provision for taxation	47	146
Borrowings	27,188	29,085
Total current liabilities	<u>37,519</u>	<u>41,347</u>
TOTAL EQUITY AND LIABILITIES	<u>122,315</u>	<u>119,154</u>
Net assets per share attributable to the equity holders of the Company (sen)	<u>73</u>	<u>73</u>

Note:

- (i) The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED 31 JANUARY 2014**

	Current Year To Date 31/01/2014 RM'000	Preceding Year To Date 31/01/2013 RM'000
Cash Flows From Operating Activities		
Profit before tax	456	2,329
Adjustments for:		
Allowances for impairment of receivables	23	97
Allowances for impairment of receivables written back	(66)	(43)
Amortisation of long term leasehold land	112	69
Deposit written off	-	37
Depreciation for property, plant and equipment	1,807	2,081
Depreciation of investment property	2	2
Gain on disposal of property	-	(3,631)
Interest expenses	1,032	1,545
Interest income	(3)	(1)
Share of results of an associate	490	-
Unrealised gain on foreign exchange	(90)	(4)
Operating profit before working capital changes	3,763	2,481
(Increase) / Decrease in inventories	(1,979)	3,304
Decrease / (Increase) in receivables	1,744	(5,756)
(Decrease) / Increase in payables	(1,876)	275
Cash generated from operations	1,652	304
Interest paid	(1,032)	(1,545)
Interest received	3	1
Tax paid	(831)	(836)
Tax refunded	205	378
Net cash used in operating activities	(3)	(1,698)
Cash Flows From Investing Activities		
Investment in an associate company	(490)	-
Purchase of property, plant and equipment	(3,361)	(1,637)
Proceeds from disposal of property, plant and equipment	-	920
Net cash used in investing activities	(3,851)	(717)

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 JANUARY 2014 (CONTD.)**

	Current Year To Date 31/01/2014 RM'000	Preceding Year To Date 31/01/2013 RM'000
Cash Flows From Financing Activities		
Fixed deposits pledged	(206)	-
Proceeds from private placement	6,723	-
Purchase of treasury shares	-	(8)
Proceeds from disposal of treasury shares	1,043	-
Net payment to hire purchase creditors	(582)	(344)
Net (payment to) / receipt from RC facilities	(709)	1,105
Net receipt from / (payment to) term loans	753	(974)
Net receipt from / (payment to) trade bills	2,284	(6,387)
Net cash generated from / (used in) financing activities	9,306	(6,608)
Net increase / (decrease) in cash and cash equivalents	5,452	(9,023)
Cash and cash equivalents brought forward	(2,184)	(3,792)
Effect of exchange rate changes	(687)	(239)
Cash and cash equivalents at end of period	2,581	(13,054)

Notes :
(i) Cash and cash equivalents

Fixed deposits with licensed bank	206	-
Cash and bank balances	4,218	993
Bank overdrafts	(1,637)	(14,047)
Less: Fixed deposit pledged	(206)	-
	2,581	(13,054)

- (ii) The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

Part A – Explanatory Notes Pursuant to MFRS 134

1 Basis of Preparation

The interim financial statements have been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard (“MFRS”) No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Chapter 9 (Paragraph 9.22) of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 April 2013. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group.

2 Accounting Policies

The significant accounting policies and methods of computation adopted by WZSATU in the condensed interim financial statements are consistent with those adopted in the audited consolidated financial statements of WZSATU for the financial year ended 30 April 2013, except for the adoption of the following new MFRS, Amendments to MFRSs and IC Interpretations which are applicable to its current financial statements:

Effective for financial periods beginning on or after 1st January 2013

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS – Government Loans
Amendments to MFRS 7	Financial Instruments : Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements : Transition Guidance
Amendments to MFRS 11	Joint Arrangements : Transition Guidance
Amendments to MFRS 12	Disclosure of Interest in Other Entities : Transition Guidance

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
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Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

Effective for financial periods beginning on or after 1st January 2014

Amendments to MFRS 132	Financial Instruments : Presentation – Offsetting Financial Assets and Financial Liabilities
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Effective for financial periods beginning on or after 1st January 2015

Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures
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The adoption of the new MFRS, Amendments to MFRSs and Interpretation does not have any material impact on the financial statements of the Group.

3 Auditors' Report on Preceding Audited Financial Statements

The auditors' report of the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 April 2013 was not subject to any qualification.

4 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by seasonal or cyclical factors during the current quarter under review.

5 Unusual Significant Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial year to date.

6 Changes in Estimates

There were no changes in estimates that have material effect on current quarter and year to date results.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

7 Changes in Debts and Equity Securities

There were no debt and equity securities issued, cancelled, repurchased, resold or repaid during the current quarter under review except for the following:-

Private Placement Shares

On 17 December 2013, the Company issued 1 million ordinary shares (being the balance remaining after 9 million ordinary shares issued via private placement exercise on 31 October 2013) at an issue price of RM0.84 ranking pari passu with the existing ordinary shares of the Company for the purpose of additional working capital.

The listing of the 1 million private placement shares on 18 December 2013 marked the completion of the private placement exercise of up to 10% of the issued and paid-up share capital of the Company announced to Bursa Malaysia on 26 September 2013.

Treasury Shares

On 2 and 3 December 2013, the Company disposed of the entire stake of 1,150,000 treasury shares held by the Company at an average disposal price of RM0.9125 per share as compared with the average purchase price of RM0.3038 per share. The Company realised a gain of RM699,954.97 on the disposal of the said shares.

8 Dividend Paid

There was no dividend paid during the current quarter under review.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

9 Segmental Reporting

The Group is principally engaged in the business segments of manufacturing and trading of steel products.

(a) Information on Business

Nine months ended 31/01/2014	Manufacturing RM'000	Trading RM'000	Investment Holding RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External	28,389	37,455	-	-	65,844
Inter-segment	114	3,264	2,474	(5,852)	-
Total Revenue	28,503	40,719	2,474	(5,852)	65,844
Results					
Segment Results	1,695	1,219	181	(1,117)	1,978
Finance cost					(1,032)
Share of results of an associate					(490)
Taxation					289
Profit for the period after taxation					745
Segment assets					
Total assets	73,084	58,994	66,472	(76,235)	122,315
Segment liabilities					
Total liabilities	27,713	38,586	5,954	(30,000)	42,253

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

Nine months ended 31/01/2013	Manufacturing RM'000	Trading RM'000	Investment Holding RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External	28,555	36,259	-	-	64,814
Inter-segment	804	3,501	-	(4,305)	-
Total Revenue	29,359	39,760	-	(4,305)	64,814
Results					
Segment Results	4,109	175	-	(410)	3,874
Finance cost					(1,545)
Taxation					66
Profit for the period after taxation					2,395
Segment assets					
Total assets	69,415	71,710	-	(18,164)	122,961
Segment liabilities					
Total liabilities	25,580	43,330	-	(18,164)	50,746

(b) Revenue by geographical segments

	Revenue	
	31/01/2014 RM'000	31/01/2013 RM'000
Malaysia	62,881	60,892
Indonesia	2,442	2,268
Thailand	380	1,039
Others	141	615
	65,844	64,814

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

10 Profit Before Tax

	Current Quarter Ended RM'000	Current Year To- Date Ended RM'000
Profit before tax is arrived at after charging/(crediting):		
Allowance for impairment of receivables	16	23
Allowance for impairment of receivables written back	(17)	(66)
Depreciation and amortisation	574	1,921
Interest income	-	(3)
Interest expense	296	1,032
Share of results of an associate	490	-
Unrealised gain on foreign exchange	<u>(196)</u>	<u>(90)</u>

11 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment of the Group during the quarter under review.

12 Material Subsequent Event

There is no material event subsequent to the current quarter ended 31 January 2014 and up to the date of this report except as follows:

On 13 February 2014, SE Satu Sdn Bhd (formerly known as Saujana Susila Sdn Bhd) ("SSSB"), an associate company of the Company, increased its authorised capital from RM1 million to RM5 million.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014
WZ Satu Berhad (fka WZ Steel Berhad)
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Notes To The Interim Financial Report
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On 26 February 2014, SSSB increased its paid-up capital from RM1 million to RM2 million through a rights issue. The Company subscribed for its share of entitlement by subscribing to 490,000 ordinary shares of RM1.00 each in SSSB for a total subscription amount of RM0.49 million.

13 Changes in the Composition of the Group

On 3 December 2013, the Company subscribed for 490,000 ordinary shares of RM1.00 each in SE Satu Sdn Bhd (formerly known as Saujana Susila Sdn Bhd) ("SSSB"), representing 49% of the issued and paid-up ordinary share capital of SSSB for a total subscription amount of RM0.490 million. Consequently, SSSB is now an associate company of the Company.

14 Contingent Liabilities

There were no material contingent liabilities to be disclosed as at the date of this report.

15 Capital Commitments

The capital commitments as at 31 January 2014 were as follows:

	RM'000
(i) Authorised and contracted for	1,389
(ii) Authorised and not contracted for	1,908
	<u>3,297</u>

Analysed as follows:

	RM'000
<u>Indonesia</u>	
Factory and equipment	1,389
Plant and equipment	1,908
	<u>3,297</u>

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014
WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)
Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)
PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE BURSAMALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS
1 Review of Performance

For the current quarter under review, the Group recorded a revenue of RM22.3 million as compared with a revenue of RM23.3 million in the preceding year corresponding quarter. For the current quarter under review, the Group recorded loss before tax of RM0.57 million as compared with profit before tax of RM2.5 million in the preceding year corresponding quarter. The profit before tax of the preceding year corresponding quarter was attributed to gain of RM3.6 million on disposal of a property.

Operationally, the Group recorded a better gross margin as compared to the preceding year quarter. However, pending commercial production of our mining associate SE Satu Sdn Bhd (formerly known as Saujana Susila Sdn Bhd), we have accounted for our share of loss of RM0.49 million.

2 Variation of Results Against Preceding Quarter

	Current Quarter 31/01/2014 RM'000	Preceding Quarter 31/10/2013 RM'000
Revenue	22,343	22,559
(Loss) / Profit before tax	(569)	906
Profit after tax	<u>141</u>	<u>596</u>

The Group registered a revenue of RM22.3 million and loss before tax of RM0.57 million for the current quarter as compared with a revenue of RM22.6 million and profit before tax of RM0.91 million in the preceding quarter. The loss before tax was due to higher operating cost and share of loss in an associate company.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

3 Current Year Prospects

The Group expects the market in the steel industry to remain competitive and challenging in view of the continuing weak global economic growth.

Despite the uncertainty in the outlook in the steel industry, the Group will continue to emphasise on operational and cost efficiencies in order to achieve satisfactory performance for the current financial year. In addition, our wholly-owned subsidiary in Indonesia, PT WZ Steel, is expected to commence manufacturing operations within the first half of 2014 and we are cautiously optimistic that it will contribute positively to the performance of the Group.

The Board has continually been exploring for new business opportunities to diversify our Group's income stream in order to mitigate its dependence on the subsisting core business of WZ Satu Group, which comprises substantially manufacturing and processing of cold drawn bright steel products and related steel products. The Proposed Acquisition of KenKeong Sdn Bhd, Proposed Diversification into Civil Engineering and Construction, Proposed Entering into Bauxite Mining Works Agreement and Proposed Diversification into Mining Business are expected to offer WZ Satu Group with additional streams of revenue and earnings for future growth which will enhance our Group's overall long-term growth prospects and contribute positively to the Group's future earnings as well improve its financial position.

4 Variance Between Actual Profit and Forecast Profit

There is no profit forecast issued by the Group for the current financial year.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

5 Taxation

Breakdown of taxation is as follow:

	Current Year Quarter 31/01/2014 RM'000	Preceding Year Quarter 31/01/2013 RM'000	Current Year To Date 31/01/2014 RM'000	Preceding Year To Date 31/01/2013 RM'000
Current year taxation	(1)	(35)	(274)	(179)
(Under) / Over provision	15	-	15	(2)
Movement in deferred taxation	696	32	548	247
	<u>710</u>	<u>(3)</u>	<u>289</u>	<u>66</u>

For the current quarter under review, the credit of RM0.71 million arising from taxation is mainly due to recognition of deferred tax assets for unabsorbed losses of subsidiary companies and reduction in deferred tax liabilities of another subsidiary due to disposal of plant and machineries by the subsidiary company.

6 Profit/(Losses) on sale of unquoted investments and/or properties respectively for the current quarter and financial year to date

There was no disposal of unquoted investment for the current quarter under review and financial year to date.

7 Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter under review and financial year to date.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)

(Company no: 666098-X)

Notes To The Interim Financial Report

For the Third Quarter Ended 31 January 2014

(Unaudited)

8 Status Of Corporate Proposals

On 10 January 2014, the Company announced the following proposals:

- (i) the renounceable rights issue of up to 55,000,000 new ordinary shares of RM0.50 each in WZ SATU ("**WZ SATU Shares**") ("**Rights Shares**") at an issue price of RM0.60 per Rights Share on the basis of one (1) Rights Share for every two (2) existing WZ SATU Shares held by shareholders of WZ SATU on the entitlement date to be determined and announced later;
- (ii) the acquisition of 750,000 ordinary shares of RM1.00 each in KenKeong Sdn Bhd ("**KenKeong**"), representing 100% equity interest in KenKeong for a total purchase consideration of RM27.5 million which would result in a diversification in the operations of WZ SATU and its group of companies ("**WZ SATU Group**") into civil engineering and construction; and
- (iii) the entering into a bauxite mining works agreement by SE Satu Sdn Bhd (*formerly known as Saujana Susila Sdn Bhd*) ("**SE Satu**"), a 49%-owned associated company of WZ SATU on 10 January 2014 with Kreatif Selaras Mining Sdn Bhd for SE Satu to be engaged as a contractor to mine, extract and produce bauxite ore which would result in a diversification in the operations of the WZ SATU Group into mining.

On 29 January 2014, the Company submitted the listing application to Bursa Securities in respect of the listing of and quotation for the Rights Shares and the Consideration Shares to be issued pursuant to the Proposed Rights Issue and Proposed Acquisition respectively.

On 24 February 2014, the Company announced that Bursa Securities had, via its letter dated 24 February 2014, resolved to approve the listing of and quotation for up to 55,000,000 Rights Shares to be issued pursuant to the Proposed Rights Issue and up to 25,000,000 Consideration Shares to be issued as part of the consideration for the Proposed Acquisition on the Main Market of Bursa Securities.

On 25 March 2014, the abovementioned proposals were duly approved by shareholders at the Company's Extraordinary General Meeting.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

9 Borrowings and Debts Securities

The Group's borrowings as at 31 January 2014:-

	Current	Non-Current	Total
	RM'000	RM'000	RM'000
Secured			
Bank overdraft	1,637	-	1,637
Bankers' acceptances	20,780	-	20,780
Hire purchase creditors	1,116	425	1,541
Term loans	827	2,929	3,756
Trust receipts	1,001	-	1,001
RC Facilities	1,827	-	1,827
	<u>27,188</u>	<u>3,354</u>	<u>30,542</u>

10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

11 Material Litigation

As at the date of this announcement, there are no material litigations against or taken by the Group.

12 Dividend

No dividend has been declared during the current quarter under review.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)
(Company no: 666098-X)

Notes To The Interim Financial Report
For the Third Quarter Ended 31 January 2014
(Unaudited)

13 Retained Profits

	Current Quarter 31/01/2014 RM'000	Preceding Quarter 31/10/2013 RM'000
Realised	16,455	17,186
Unrealised	(144)	(1,024)
	<u>16,311</u>	<u>16,162</u>

14 Earnings Per Share

	Current Year Quarter 31/01/2014 RM'000	Preceding Year Quarter 31/01/2013 RM'000	Current Year To Date 31/01/2014 RM'000	Preceding Year To Date 31/01/2013 RM'000
(i) Basic Earnings per share				
Profit after taxation (RM'000)	141	2,498	745	2,395
Weighted average no. of shares at the end of the period ('000)	102,301	98,859	102,301	98,859
Basic earnings per share (sen) (Based on weighted average no. of shares)	<u>0.14</u>	<u>2.53</u>	<u>0.73</u>	<u>2.42</u>
(ii) Diluted earnings per share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 31 JANUARY 2014

WZ Satu Berhad (fka WZ Steel Berhad)

(Company no: 666098-X)

Notes To The Interim Financial Report

For the Third Quarter Ended 31 January 2014

(Unaudited)

15 Change of Financial Year End

On 10 January 2014, the Board has approved to change the financial year end from 30 April 2014 to 31 August 2014 and the next audited financial statements shall be for a period of 16 months made up from 1 May 2013 to 31 August 2014.

16 Approval for the Release of Quarterly Results

The quarterly financial results have been approved for release by the Board.

DIRECTORS' REPORT



Registered Office

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

7 April 2014

To: The Entitled Shareholders of WZ Satu Berhad (formerly known as WZ Steel Berhad)

Dear Sir/Madam,

On behalf of the Board of Directors of WZ Satu Berhad (formerly known as WZ Steel Berhad) ("WZ SATU") ("Board"), I report after due enquiry that during the period from 30 April 2013 (being the date to which the last audited financial statements of WZ SATU and its subsidiaries ("Group") have been made up) to the date hereof (being a date not earlier than 14 days before the issue date of this Abridged Prospectus), that:

- (i) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;
- (ii) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;
- (iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in Section 9.3 of the Abridged Prospectus, there are no other contingent liabilities which have arisen by reason of any guarantee or indemnity given by the Group;
- (v) since the last audited financial statements of the Group, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums for any borrowings of the Group; and
- (vi) save as disclosed in the Abridged Prospectus, since the last audited financial statements of the Group, there have been no material changes in the published reserves or any unusual factor affecting the profits of the Group.

Yours faithfully,

For and on behalf of the Board of Directors of

WZ SATU BERHAD (formerly known as WZ Steel Berhad)

A handwritten signature in black ink, appearing to be 'Tengku Dato' Uzir Bin Tengku Dato' Ubaidillah', is written over a horizontal line.

TENGKU DATO' UZIR BIN TENGKU DATO' UBAILLAAH

Chairman/Chief Executive Officer

Lot 1890, Jalan KPB 9, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

Tel: 603-8962 2228 (Hunting Line) H/P: 017-363 2228, 017-319 2228, 012-392 2228 Fax: 603-8962 2226

E-mail: wzsab@wengzheng.com Website: www.wengzheng.com

FURTHER INFORMATION

1. SHARE CAPITAL

No securities shall be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of issue of this Abridged Prospectus.

Save for the Entitled Shareholders who will be provisionally allotted with the Rights Shares, no person has been or would be entitled to be granted an option to subscribe for any of our securities as at the LPD.

2. ARTICLES OF ASSOCIATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows:

Article 93

- (1) The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:
 - (a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
 - (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
 - (c) a Director may appoint a person approved by a majority of his co-directors to act as his alternate, provided that any fee paid by the Company to the alternate director shall be deducted from that director's remuneration.
- (2) The Directors shall be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.
- (3) Any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.
- (4) Any fee paid to an alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 94

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where the notice of the proposed increase has been given in the notice convening the meeting.

FURTHER INFORMATION**Article 95**

If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee established by the Board of Directors, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board of Directors may think fit for expenses, and also such remuneration as the Board of Directors may think fit, either as a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

3. CONSENTS

Our Adviser, Principal Bankers, Company Secretaries, Share Registrar and Solicitors for the Rights Issue have given and have not subsequently withdrawn their written consents for the inclusion of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Tai, Yapp & Co, our Auditors and Reporting Accountants, has given and has not subsequently withdrawn its written consent for the inclusion of its name, letter relating to our pro forma consolidated statement of financial position as at 30 April 2013 together with the Reporting Accountants' letter thereon and Auditors' report relating to our audited consolidated financial statements for the FYE 30 April 2013, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

South East Asia Iron and Steel Institute has given and has not subsequently withdrawn its written consent for the inclusion of its name as the source of the outlook of steel industry as disclosed in Section 6.2 of this Abridged Prospectus, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consent for the inclusion of its name as the source of historical share prices of our Company, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

4. MATERIAL CONTRACTS

Save as disclosed below, we confirm that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years immediately preceding the date of issuance of this Abridged Prospectus:

- (i) the sale and purchase agreement dated 27 April 2012 entered between PT WZ Steel with PT. Lippo Cikarang Tbk for the acquisition of a piece of land in the industrial estate of 11,049 square meters and bearing the address of Nomor 009, Blok G06, Delta Silicon IV, Lippo Cikarang, West Java, Indonesia for a cash consideration of IDR14,584,680,000 (equivalent to RM5,017,130.00 at the then exchange rate);
- (ii) the sale and purchase agreement dated 27 September 2012 entered between WZSB and Tang Yeow Wah for the disposal of a piece of freehold agriculture land held under HS(M) 20631, PT 56318, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor for a total consideration of RM9,197,510.00;

FURTHER INFORMATION

- (iii) the sale and purchase agreement dated 24 May 2013 entered between PT WZ Steel with PT. Lippo Cikarang Tbk for the acquisition of a piece of residential land at Jl Alam Hijau 5 No 16, Elysium Garden Lippo Cikarang, West Java, Indonesia for a cash consideration of IDR1,477,204,012 (equivalent to RM457,933.24 at the then exchange rate);
- (iv) the sale and purchase agreement dated 10 December 2013 entered between WZ Trading with Teh Ban Liang and Lio Chee Kwong for the disposal of one unit of double storey link house bearing the address of No. 2, Jalan USJ 13/1E, UEP Subang Jaya, 47600 Selangor for a total consideration of RM778,000.00; and
- (v) the conditional share sale agreement dated 10 January 2014 entered into between Dato' William Tan Chee Keong, Choi Chee Ken, Ho Kek Yee, Rada Krishnan a/ Sankaran Nair and our Company pursuant to the Acquisition.

5. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best knowledge of our Board, there are no proceedings pending or threatened against our Group and no facts that are likely to give rise to any such proceedings, which may materially and adversely affect the position or business of our Group.

6. GENERAL

Save as disclosed in this Abridged Prospectus and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

- (i) material information including special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group;
- (ii) known trends, demands, commitments, events or uncertainties that will result in or are likely to materially increase or decrease our Group's liquidity;
- (iii) material commitments for capital expenditure;
- (iv) unusual, infrequent events or transactions or significant economic changes that materially affect the amount of reported income from our operations; and
- (v) known trends or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on our Group's revenues or operating income.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of issuance of this Abridged Prospectus:

- (i) our Memorandum and Articles of Association;

FURTHER INFORMATION

- (ii) our audited consolidated financial statements for the past two (2) FYEs 30 April 2012 and 30 April 2013 and unaudited consolidated interim financial statements for the nine (9)-month FPE 31 January 2014;
- (iii) the pro forma consolidated statements of financial position of our Group as at 30 April 2013 together with the Reporting Accountants' letter as set out in Appendix III of this Abridged Prospectus;
- (iv) the Directors' Report as set out in Appendix VI of this Abridged Prospectus;
- (v) the material contracts referred to in Section 4 of this Appendix;
- (vi) the consent letters referred to in Section 3 of this Appendix;
- (vii) the existing service agreements entered into between our Company and YM Tengku Dato' Uzir, Dato' Ir. Mohd Ghazali Bin Kamaruzaman and Tan Teng Heng; and
- (viii) the letters in relation to the Undertakings from YM Tengku Dato' Uzir and Tan Ching Kee as referred to in Section 8 of this Abridged Prospectus.

8. RESPONSIBILITY STATEMENT

Our Board has seen and approved all the documentation relating to the Rights Issue including the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in the Documents false or misleading.

HLIB, being the Adviser for the Rights Issue, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.