

Weng Zheng Resources Berhad (Company no: 666098-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2008**

	Current Year Quarter 30/04/2008 RM'000	Preceding Year Quarter 30/04/2007 RM'000	Current Year To Date 30/04/2008 RM'000	Preceding Year To Date 30/04/2007 RM'000
Revenue	29,532	N/A	55,660	N/A
Other income	(6)	N/A	3,930	N/A
Operating expenses	(1,858)	N/A	(3,447)	N/A
Finance costs	(512)	N/A	(1,141)	N/A
Profit before tax	2,886	N/A	9,256	N/A
Income tax expense	(458)	N/A	(984)	N/A
Profit after tax	2,428	N/A	8,272	N/A
Attributable to:				
Equity holders of the Company	<u>2,428</u>	N/A	<u>8,272</u>	N/A
Earnings per share (sen):				
Basic	<u>2.42</u>	N/A	<u>8.27</u>	N/A
Net assets per share (sen)			<u>60</u>	

Note:

- (i) The condensed consolidated income statement should be read in conjunction with the audited proforma consolidated financial statements and the accountants' report for the financial period ended 31 July 2007 as disclosed in the Prospectus dated 10 December 2007 and the accompanying explanatory notes attached to the interim financial statements
- (ii) This is the third interim financial statements on the consolidated results for the financial year ended 30 April 2008 announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As this is the third quarterly report being drawn up, there are no comparative figures for the preceeding year's corresponding quarter.
- (iii) The current year quarter results of the Group are in respect of the post acquisition results of the Group from 1 November 2007 to 30 April 2008.

(iv) In conjunction with the Initial Public Offering ("IPO") exercise, the acquisitions of Weng Zheng Sdn Bhd, Weng Zheng Trading Sdn Bhd and Weng Zheng Marketing Sdn Bhd ("Acquisitions") were completed on 6 November 2007 when the sale and purchase agreements became unconditional. For accounting purposes, the Acquisitions were deemed completed on 31 October 2007 as our Board is of the view that the financial effects from 31 October 2007 to completion of the Acquisitions on 6 November 2007 are immaterial.

* N/A : Not Applicable

Weng Zheng Resources Berhad (Company no: 666098-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2008**

---- Attributable to Shareholders of the Company ----

		Non Distributable	Distributable	
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Total Equity RM'000
Balance as at 1 May 2007	#	-	(12)	(12)
Issued as purchase consideration for the Acquisitions, Public Issue and Restricted Issue during the year	50,000	4,029	-	54,029
Listing expenses	-	(1,797)	-	(1,797)
Profit for the year	-	-	8,272	8,272
Balance as at 30 April 2008	50,000	2,232	8,260	60,492

Note :

(i) # RM2.00

(ii) The condensed consolidated statement of changes in equity should be read in conjunction with the audited proforma consolidated financial statements and the accountants' report for the financial period ended 31 July 2007 as disclosed in the Prospectus dated 10 December 2007 and the accompanying explanatory notes attached to the interim financial statements

Weng Zheng Resources Berhad (Company no: 666098-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2008**

	UNAUDITED GROUP 30/04/2008 RM'000	UNAUDITED GROUP 30/04/2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,818	N/A
Prepaid lease payments	3,538	N/A
Total non-current assets	41,356	N/A
Current assets		
Inventories	37,793	N/A
Trade receivables	29,822	N/A
Other receivables	890	N/A
Current tax assets	1,260	N/A
Deposit with licensed bank	4,500	N/A
Cash and cash equivalents	1,706	N/A
Total current assets	75,971	N/A
TOTAL ASSETS	117,327	N/A
EQUITY AND LIABILITIES		
Share capital	50,000	N/A
Reserves	10,492	N/A
Total equity	60,492	N/A
Non-current liabilities		
Borrowings	9,169	N/A
Deferred tax liabilities	2,131	N/A
Total non-current liabilities	11,300	N/A
Current liabilities		
Trade payables	9,113	N/A
Other payables	1,317	N/A
Provision for taxation	540	N/A
Borrowings	34,565	N/A
Total current liabilities	45,535	N/A
TOTAL EQUITY AND LIABILITIES	117,327	N/A
Net assets per share (sen)	60	N/A

Note:

- (i) The condensed consolidated balance sheet should be read in conjunction with the audited proforma consolidated financial statements and the accountants' report for the financial period ended 31 July 2007 as disclosed in the Prospectus dated 10 December 2007 and the accompanying explanatory notes attached to the interim financial statements

Weng Zheng Resources Berhad (Company no: 666098-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2008**

	Current Year To Date 30/04/2008 RM'000	Preceding Year To Date 30/04/2007 RM'000
Cash Flows From Operating Activities		
Profit before tax	9,256	N/A
Adjustments for:		
Allowances for doubtful debts	622	N/A
Amortisation of prepaid lease payments	31	N/A
Depreciation for property, plant and equipment	1,322	N/A
(Gain)/Loss on disposal of property, plant and equipment	(4)	N/A
Interest expenses	1,128	N/A
Unrealised (gain)/loss on foreign exchange	(61)	N/A
Bad debts recovered	(31)	N/A
Interest income	(85)	N/A
Negative Goodwill	(3,804)	N/A
Operating profit before working capital changes	8,374	N/A
(Increase) / decrease in inventories	(6,517)	N/A
(Increase) / decrease in receivables	(8,383)	N/A
Increase / (decrease) in payables	3,366	N/A
Cash used in operations	(3,160)	N/A
Interest paid	(1,128)	N/A
Interest received	85	N/A
Taxes (paid) / recovered	(738)	N/A
Net cash used in operating activities	(4,941)	N/A
Cash Flows From Investing Activities		
Acquisition of subsidiaries net of cash	(1,499)	N/A
Proceeds from disposal of property, plant & equipment	32	N/A
Purchase of property, plant & equipment	(521)	N/A
Net cash used in investing activities	(1,988)	N/A
Cash Flows From Financing Activities		
Proceeds from issuance of shares	13,424	N/A
Proceeds from trade bills	1,190	N/A
Repayment of hire purchase creditors	(227)	N/A
Repayment of revolving credit facilities	(2,051)	N/A
Repayment of term loans	(2,414)	N/A
Net cash generated from financing activities	9,922	N/A
Net increase in cash and cash equivalents	2,993	N/A
Cash and cash equivalents at beginning of year	#	N/A
Cash and cash equivalents at end of year	2,993	N/A

Note :

(i) Cash and cash equivalents

Cash and bank balances	1,706	N/A
Deposit with licensed bank	4,500	N/A
Bank Overdrafts	(3,213)	N/A
	<u>2,993</u>	<u>N/A</u>

(ii) # Represent RM2

(iii) Acquisition of Subsidiaries net of cash acquired

Non-current assets	42,000
Current assets	55,100
Current Liabilities	(39,849)
Non Current Liabilities	(13,140)
Cost of Acquisition	(38,808)
Negative Goodwill on Acquisition	(3,804)
	<u>1,499</u>

(iv) The condensed consolidated cash flow statement should be read in conjunction with the audited proforma consolidated financial statements and the accountants' report for the financial period ended 31 July 2007 as disclosed in the Prospectus dated 10 December 2007 and the accompanying explanatory notes attached to the interim financial statements

Weng Zheng Resources Berhad (Company no: 666098-X)
Notes To The Interim Report
For The Fourth Quarter Ended 30 April 2008
(Unaudited)

Part A-Explanatory Notes Pursuant to FRS 134

1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standard ("FRS") No.134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and 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 of the Company for the financial year ended 30 April 2007 and the audited proforma consolidated financial statements for the period ended 31 July 2007 as disclosed in the Prospectus dated 10 December 2007 and the accompanying explanatory notes attached to the financial statement.

2 Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 30 April 2007 except for the adoption of the following new / revised FRSs effective for financial period beginning on or after 1 January 2006:-

FRS 2 Share-based Payments
FRS 3 Business Combinations
FRS 5 Non-current Assets Held For Sale and Discontinued Operations
FRS 101 Presentation of Financial Statements
FRS 102 Inventories
FRS 108 Accounting Policies, Changes in Estimates and Errors
FRS 110 Events after the Balance Sheet Date
FRS 116 Property, Plant and Equipment
FRS 117 Leases
FRS 121 The Effects of Changes in Foreign Exchange Rates
FRS 124 Related Party Disclosures
FRS 127 Consolidated and Separate Financial Statements
FRS 128 Investment in Associates
FRS 131 Interest in Joint Ventures
FRS 132 Financial Instruments : Disclosure and Presentation
FRS 133 Earnings Per Share
FRS 136 Impairment of Assets
FRS 138 Intangible Assets
FRS 140 Investment Property

The adoption of FRSs does not have significant financial impact on the Group for the current quarter under review. The principal effects of the changes in policies resulting from the adoption of the FRSs are disclosed below:-

(a) FRS 3 Business Combinations

Under FRS 3, any excess of the Group's interest in the fair value of the Acquisitions' net identifiable assets acquired as at the completion date over the cost of acquisition (referred to as negative goodwill), is recognised immediately as other income in the income statement. Accordingly, negative goodwill of RM3.804 million which represents the excess of the fair value of the Acquisitions was recognised immediately in the income statement under other income as at 31 October 2007.

(b) FRS 117 Leases

Prior to 1st May 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The Group revalued its leasehold land and building on 30th April 2007 by an independent firm of professional valuers using the open market basis in conjunction with the IPO exercise.

The adoption of the revised FRS 117 has resulted in a change in accounting policy relating to classification of leases as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and building are considered separately for the purposes of lease classification. As at 30 April 2007, the Group's leasehold land valued at RM3.6 million which is held for own use was now classified as operating lease while the building valued at RM2.084 million was classified as finance lease.

The adoption of the revised FRS 117 will result in retrospective change in the accounting policy relating to the accumulated depreciation and accumulated impairment losses. The adoption of the revised FRS 117 will result in classification of leasehold land. The prepaid lease payments are amortised on a straight line basis over the remaining lease term.

Weng Zheng Resources Berhad (Company no: 666098-X)
Notes To The Interim Report
For The Fourth Quarter Ended 30 April 2008
(Unaudited)

3 Auditors' Reports on Preceding Audited Financial Statements

The auditors' reports of preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 April 2007 were 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 had a material effect in the current quarter and year-to-date results.

7 Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current year-to-date other than the issuance of 99,999,996 ordinary shares pursuant to the listing of the Company on the Second Board of Bursa Securities on 2 January 2008 as disclosed below:-

(a) Acquisitions of WZSB, WZT and WZM ("Acquisitions") by Weng Zheng Resources Berhad (WZRB or the Company)

Acquisitions by the Company of the entire equity interests in WZSB, WZT and WZM for a total purchase consideration of RM38,808,323, satisfied wholly by the issuance of 77,616,646 new ordinary shares of RM0.50 each in WZRB at an issue price of RM0.68 per WZRB share, which were completed on 6 November 2007.

(b) Public Issue

Public Issue of 15,000,000 new WZRB shares at an issue price of RM0.68 per share to selected investors, general public, eligible directors and employees.

(c) Restricted Issue

Restricted Issue of 7,383,350 new WZRB shares at an issue price of RM0.68 per share to Bumiputera investors approved / nominated by the Ministry of International Trade and Industry.

As a result of the Acquisitions, Public Issue and Restricted Issue, the paid-up share capital of the Company was increased from RM2 comprising 4 shares of RM0.50 each to RM50,000,000 comprising 100,000,000 shares of RM0.50 each.

8 Dividend Paid

There was no dividend paid during the current financial year-to-date.

Weng Zheng Resources Berhad (Company no: 666098-X)
Notes To The Interim Report
For The Fourth Quarter Ended 30 April 2008
(Unaudited)

9 Segmental Reporting

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

(a) Information on business segments

	Manufacturing RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
Revenue				
External	32,514	23,146		55,660
Inter-segment	1,087	7,992	(9,079)	-
Total Revenue	<u>33,601</u>	<u>31,138</u>	<u>(9,079)</u>	<u>55,660</u>
Results				
Segment Results	3,089	3,419	-	6,508
Interest income				85
Finance cost				(1,141)
Negative goodwill				3,804
Taxation				(984)
Profit after tax for the year				<u>8,272</u>

(b) Revenue by geographical segments

There was no disclosure on geographical segments as the revenue generated outside Malaysia is less than 10% of total revenue.

10 Valuation of Property, Plant and Equipment

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

11 Material Subsequent Events

There is no material event subsequent to the end of the current quarter ended 30 April 2008 and up to the date of this report.

12 Changes in the Composition of the Group

In conjunction with the Initial Public Offering exercise, the Company acquired the entire equity interests in WZSB, WZT and WZM. The Acquisitions were completed on 6 November 2007 when the sale and purchase agreements became unconditional. For accounting purposes, the Acquisitions were deemed completed on 31 October 2007 as our Board is of the view that the financial effects from 31 October 2007 to completion of Acquisitions on 6 November 2007 are immaterial.

13 Contingent Liabilities

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

14 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 April 2008 are as follows:

	RM'000
Approved and contracted for	<u>307</u>

Weng Zheng Resources Berhad (Company no: 666098-X)
Notes To The Interim Report
For The Fourth Quarter Ended 30 April 2008
(Unaudited)

15 Cash and Cash Equivalents

As at 30/04/2008

	RM'000
Cash & bank balances	1,706
Deposit with licensed bank	4,500
Bank overdraft	(3,213)
	<u>2,993</u>

Weng Zheng Resources Berhad (Company no: 666098-X)
Notes To The Interim Report
For The Fourth Quarter Ended 30 April 2008
(Unaudited)

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Review of performance

Performance for the current quarter ended 30 April 2008

For the current quarter under review, the Group achieved revenue of RM29.532 million and profit after tax of RM2.413 million attributed by higher sales volume.

Performance for the current year ended 30 April 2008

For the current quarter under review, the Group, which came into existence on 31 October 2007 for accounting purposes, achieved revenue of RM55.660 million and profit after tax of RM8.257 million. The Group after tax included the realisation of negative goodwill of RM3.804 million arising from the excess of fair value of the net identifiable assets of the three subsidiary companies acquired over the acquisition cost in conjunction with the listing exercise of the Company.

There were no comparative figures for the corresponding period in the preceding financial year as this is the Group's third quarterly announcement to Bursa Securities.

2 Variation of Results Against Preceding Quarter

The Group registered a revenue and profit after tax of RM29.532 million and RM2.413 million for the current quarter as compared with revenue and profit before tax of RM26.128 million and RM2.049 million respectively in the preceding quarter, representing an increase of 13.0% and 17.8%. The improved performance mainly due to increase in steel price and volume of sales.

3 Current Year Prospects

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the Group will continue to achieve satisfactory performance for the financial year ending 30 Apr 2009.

4 Variance Between Actual Profit and Forecast Profit

	Post-acquisition profit forecast	Unaudited year ended 30.04.2008	Variance	
	RM'000	RM'000	RM'000	%
Consolidated PAT	4,007	4,468	461	12%
Negative goodwill	3,804	3,804	-	
Consolidated PAT and after negative goodwill adjustment	<u>7,811</u>	<u>8,272</u>	<u>461</u>	6%

The Group has achieved its estimated profit forecast of RM7,811 (based on the prospectus issued by the Company on 10 December 2007) higher by RM0.446 million or 6% to RM8.257 million for the year ended 30 April 2008.

5 Taxation

Breakdown of taxation is as follows:-

	Current Year Quarter 30/04/2008 RM'000	Current Year To Date 30/04/2008 RM'000
Current year taxation	404	914
Under provisions in prior year	29	32
Deferred taxation	25	38
	<u>458</u>	<u>984</u>

The tax expense for the current quarter is derived from management's best estimate of the tax payable for the financial year. The Group's effective tax rate for the current quarter and year to date was lower than the statutory tax rate due to the availability of reinvestment allowance pursuant to Schedule 7A of the Income Tax Act, 1967.

Weng Zheng Resources Berhad (Company no: 666098-X) Notes To The Interim Report For The Fourth Quarter Ended 30 April 2008 (Unaudited)

6 Profits / (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 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.

8 Borrowings and Debt Securities

The Group's Borrowings are as follows:-

	Current RM'000	Non-Current RM'000	Total RM'000
Unsecured			
Bankers' acceptances	1,998	-	1,998
Secured			
Bank overdraft	3,213	-	3,213
Bankers' acceptances	18,882	-	18,882
Hire purchase creditors	401	316	717
Revolving credit	3,323	-	3,323
Onshore foreign currency loan	3,332	-	3,332
Term loans	3,416	8,853	12,269
	<u>34,565</u>	<u>9,169</u>	<u>43,734</u>

9 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

10 Material Litigation

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

11 Dividends

The Board of Directors has proposed a final dividend of 1.5 sen per ordinary share of RM0.50 each less 25% of tax amounting to RM1,125,000 in respect of the financial year ended 30 April 2008. The proposed dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting ("AGM") of the Company and the notice of the AGM and the entitlement date will be announced in due course. The proposed final dividend is in line with the dividend policy as disclosed in the prospectus issued by the Company on 10 December 2007.

12 Earnings Per Share

	Current Year Quarter 30/04/2008 RM'000	Current Year To Date 30/04/2008 RM'000
Profit attributable to shareholders	2,428	8,272
Issued ordinary shares at the beginning of period and after the Acquisitions('000)	77,617	77,617
Public and Restricted Issues during the year ('000)	22,313	22,313
Issued ordinary shares at the end of year ('000)	<u>100,000</u>	<u>100,000</u>
Weighted average number of shares at the end of the year ('000)	84,630	84,630
Basic earnings per share (sen) (Based on weighted average number of shares)	2.87	9.77
Basic earnings per share (sen) (Based on issued share capital of 100,000,000 shares)	2.43	8.27

Weng Zheng Resources Berhad (Company no: 666098-X)
Notes To The Interim Report
For The Fourth Quarter Ended 30 April 2008
(Unaudited)

13 Status of Corporate Proposals

(a) Initial Public Offering (IPO)

On 2 January 2008, the entire issued and paid-up share capital of the Company, comprising 100,000,000 ordinary shares of RM0.50 each, were listed on the Second Board of Bursa Securities.

(b) Utilisation of IPO proceeds

The gross proceeds received from the IPO of RM15,220,678 were utilised as follows:-

	Proposed Utilisation	Amount Utilised	Balance Unutilised	Intended Timeframe for utilisation
	RM'000	RM'000	RM'000	
Capital expenditure/business expansion	4,500	-	4,500	2009
Repayment of bank borrowings	5,000	5,000	-	
Working capital	3,421	3,421	-	
Listing expenses	2,300	1,797	(503) *	
	<u>15,221</u>	<u>10,218</u>		

* The actual listing expenses are lower than the expected listing expenses by RM503,000 and this amount has been utilised for working capital by the Group.

BY ORDER OF THE BOARD

Tan Ching Kee
Managing Director