

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

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014**

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

	<b>Current Year Quarter 31/07/2014 RM'000</b>	<b>Current Year To Date 31/07/2014 RM'000</b>
Revenue	62,690	152,385
Cost of sales	(48,938)	(127,128)
Gross profit	13,752	25,257
Other income	203	726
Operations and administrative expenses	(6,460)	(16,186)
Profit from operations	7,495	9,797
Finance costs	(627)	(1,965)
Share of results of an associate	2,867	2,948
Profit before tax	9,735	10,780
Taxation	(1,694)	(1,348)
<b>Profit after tax</b>	<b>8,041</b>	<b>9,432</b>
<b>Other Comprehensive Income/(Expense):</b>		
Translation of foreign subsidiary	(227)	(775)
<b>Other Comprehensive Income/(Loss) for the period</b>	<b>(227)</b>	<b>(775)</b>
<b>Total Comprehensive Income for the period</b>	<b>7,814</b>	<b>8,657</b>
<b>Total Comprehensive Income Attributable to:</b>		
Equity holders of the Company	7,814	8,657
<b>Earnings per share (sen):</b>		
Basic	4.37	7.84
Diluted	N/A	N/A
<b>Net assets per share (sen)</b>	<b>73</b>	<b>73</b>

**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
- (iii) Following the change in the Group's financial year end from 30 April 2014 to 31 August 2014, no comparative figures are presented for the current quarter and year-to-date results.

**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 JULY 2014**

	----- Attributable to Equity Holders of the Company -----						
	Non Distributable					Distributable	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	
<b>Balance as at 1 May 2013</b>	50,000	(348)	2,232	5,353	(428)	15,541	
Profit for the period	-	-	-	-	-	9,432	9,432
Translation currency differences for foreign operations	-	-	-	-	(775)	-	(775)
Total comprehensive income	-	-	-	-	(775)	9,432	8,657
Realisation of revaluation reserve	-	-	-	(40)	-	40	-
Net disposal of treasury shares	-	348	695	-	-	-	1,043
Private placement	5,000	-	1,723	-	-	-	6,723
Rights issue	27,500	-	4,802	-	-	-	32,302
Acquisition of a subsidiary company	12,500	-	5,417	-	-	-	17,917
<b>Balance as at 31 July 2014</b>	<b>95,000</b>	<b>-</b>	<b>14,869</b>	<b>5,313</b>	<b>(1,203)</b>	<b>25,013</b>	<b>138,992</b>
<b>Balance as at 1 May 2012</b>	50,000	(340)	2,232	6,071	(3)	12,110	70,070
Profit for the year	-	-	-	-	-	2,713	2,713
Translation currency differences for foreign operations	-	-	-	-	(425)	-	(425)
Total comprehensive income	-	-	-	-	(425)	2,713	2,288
Realisation of revaluation reserve	-	-	-	(718)	-	718	-
Purchase of treasury shares	-	(8)	-	-	-	-	(8)
<b>Balance as at 30 April 2013</b>	<b>50,000</b>	<b>(348)</b>	<b>2,232</b>	<b>5,353</b>	<b>(428)</b>	<b>15,541</b>	<b>72,350</b>

**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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2014**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31/07/2014</b>	<b>30/04/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	50,235	45,279
Investment property	-	563
Investment in associate	4,418	-
Intangible asset	20,768	-
Deferred tax assets	460	-
<b>Total non-current assets</b>	<u>75,881</u>	<u>45,842</u>
<b>Current assets</b>		
Inventories	41,129	41,187
Amount due from contract customers	16,216	-
Trade receivables	43,944	27,309
Other receivables	8,356	1,003
Amount due from an associate	193	-
Tax recoverable	857	783
Fixed deposits with licensed bank	5,506	-
Cash and bank balances	13,194	3,030
<b>Total current assets</b>	<u>129,395</u>	<u>73,312</u>
<b>TOTAL ASSETS</b>	<u>205,276</u>	<u>119,154</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	95,000	50,000
Treasury shares	-	(348)
Reserves	43,992	22,698
<b>Total equity</b>	<u>138,992</u>	<u>72,350</u>
<b>Non-current liabilities</b>		
Borrowings	6,392	3,535
Deferred tax liabilities	2,002	1,922
<b>Total non-current liabilities</b>	<u>8,394</u>	<u>5,457</u>
<b>Current liabilities</b>		
Trade payables	19,664	11,278
Other payables	5,367	838
Borrowings	31,570	29,085
Provision for taxation	1,289	146
<b>Total current liabilities</b>	<u>57,890</u>	<u>41,347</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>205,276</u>	<u>119,154</u>
<b>Net assets per share attributable to the equity holders of the Company (sen)</b>	<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.

**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 JULY 2014**

**Current Year**  
**To Date**  
**31/07/2014**  
**RM'000**

**Cash Flows From Operating Activities**

Profit before tax	10,780
Adjustments for:	
Allowances for impairment of receivables	139
Allowances for impairment of receivables written back	(91)
Amortisation of long term leasehold land	185
Depreciation for property, plant and equipment	3,048
Depreciation of investment property	2
Gain on disposal of property	(117)
Impairment loss on investment property written back	(100)
Interest income	(204)
Interest expenses	1,965
Share of results of an associate	(2,948)
Unrealised loss on foreign exchange	45
<b>Operating profit before working capital changes</b>	<b>12,704</b>
(Increase) / Decrease in inventories	9,615
Increase in receivables	(12,056)
(Decrease) / Increase in payables	(16,776)
<b>Cash generated from operations</b>	<b>(6,513)</b>
Interest paid	(1,965)
Interest received	204
Net taxes paid	(996)
<b>Net cash (used in) / generated from operating activities</b>	<b>(9,270)</b>

**Cash Flows From Investing Activities**

Investment in an associate company	(1,470)
Net cash used in acquisition of subsidiary company	(17,173)
Proceeds from disposal of property, plant and equipment	848
Net purchase of property, plant and equipment	(1,703)
<b>Net cash (used in) / generated from investing activities</b>	<b>(19,498)</b>

**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 JULY 2014 (CONTD.)**

**Current Year**  
**To Date**  
**31/07/2014**  
**RM'000**

**Cash Flows From Financing Activities**

Fixed deposits pledged	(1,543)
Proceeds from private placement	6,723
Proceeds from rights issue	32,219
Proceeds from disposal of treasury shares	1,043
Repayment of hire purchase payables	(1,333)
Repayment of bank borrowings	(425)
<b>Net cash generated from / (used in) financing activities</b>	<b>36,684</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,916</b>
<b>Cash and cash equivalents brought forward</b>	<b>(2,184)</b>
Effect of exchange rate changes	92
<b>Cash and cash equivalents at end of period / year</b>	<b>5,824</b>

**Notes :**

(i) Cash and cash equivalents

Fixed deposits with licensed bank	5,506
Cash and bank balances	13,194
Bank overdrafts	(7,370)
Less: Fixed deposit pledged	(5,506)
	<b>5,824</b>

(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.

(iii) Following the change in the Group's financial year end from 30 April 2014 to 31 August 2014, no comparative figures are presented for the Consolidated Statement of Cash Flow for the 15 months period ended 31 July 2014.

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 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 WZ Satu in the condensed interim financial statements are consistent with those adopted in the audited consolidated financial statements of WZ Satu 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

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

**Notes To The Interim Financial Report  
For the Quarter Ended 31 July 2014  
(Unaudited)**

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

**Effective for financial periods beginning on or after 1st January 2015**

Amendments to MFRS 9      Mandatory Effective Date of MFRS 9 and Transition Disclosures

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.

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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**7 Changes in Debts and Equity Securities**

During the current quarter under review, the Company issued the following shares:-

- (i) 55,000,000 new ordinary shares of RM0.50 each, pursuant to a renounceable rights issue of up to 55,000,000 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 Berhad shares held by the existing shareholders.
- (ii) 25,000,000 new ordinary shares of RM0.50 each, at an issue price of RM0.81 per share, being the non-cash consideration portion for the acquisition of 750,000 ordinary shares of RM1.00 each in WZS KenKeong Sdn Bhd (formerly known as KenKeong Sdn Bhd) ("KenKeong"), representing 100% equity interest in KenKeong.

**8 Dividend Paid**

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



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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**9 Segmental Reporting**

The Group is principally engaged in the business segments of civil engineering and construction, mining, manufacturing and trading of steel products.

(a) Information on Business

<b>Fifteen months 31/07/2014</b>	<b>Civil Engineering Construction RM'000</b>	<b>Manufacturing RM'000</b>	<b>Trading and Investment RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidation RM'000</b>
<b>Revenue</b>					
External	44,596	50,128	57,661	-	152,385
Inter-segment	-	293	9,517	(9,810)	-
Total Revenue	<u>44,596</u>	<u>50,421</u>	<u>67,178</u>	<u>(9,810)</u>	<u>152,385</u>
<b>Results</b>					
Segment Results	7,666	2,159	1,278	(1,306)	9,797
Finance cost					(1,965)
Share of results of an associate					2,948
Taxation					(1,348)
Profit after taxation					<u>9,432</u>
<b>Segment assets</b>					
Total assets	<u>47,997</u>	<u>72,511</u>	<u>170,756</u>	<u>(85,988)</u>	<u>205,276</u>
<b>Segment liabilities</b>					
Total liabilities	<u>34,202</u>	<u>26,996</u>	<u>40,094</u>	<u>(35,008)</u>	<u>66,284</u>

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**10 Profit Before Tax**

	<b>Current Quarter Ended RM'000</b>	<b>Current Year To- Date Ended RM'000</b>
<b>Profit before tax is arrived at after charging/(crediting):</b>		
Allowance for impairment of receivables	84	139
Allowance for impairment of receivables written back	21	(91)
Depreciation and amortisation	697	3,235
Gain on disposal of property	(22)	(117)
Impairment loss on investment property written back	-	(100)
Interest income	(199)	(204)
Interest expense	627	1,965
Share of results of an associate	(2,867)	(2,948)
Unrealised loss on foreign exchange	<u>20</u>	<u>45</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 July 2014 and up to the date of this report except as follows:

- (i) On 5 August 2014, the Company announced that its wholly-owned subsidiary, WZS KenKeong Sdn Bhd (formerly known as KenKeong Sdn Bhd), had on 5 August 2014 received a letter of award from Laksana Amanbina Sdn Bhd for a total value of RM30,018,074.70 ("Award") in relation to the construction and completion of interchange at existing Federal Route 3, Kuantan, Pahang Darul Makmur ("the Project"). The Project is expected to be completed within fifteen (15) months. The Award will have no material effect on the revenue or earnings of the Group for the financial year ending 31 August 2014 but is expected to contribute positively to the future earnings and net assets per share of the Group for the financial year ending 31 August 2015.

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**13 Changes in the Composition of the Group**

On 8 May 2014, the Company completed the acquisition of 750,000 ordinary shares of RM1.00 each in the share capital of WZS KenKeong Sdn Bhd (formerly known as KenKeong Sdn Bhd ("KenKeong")), representing 100% equity interest in KenKeong at a purchase consideration of RM27.50 million, thereby, KenKeong became a wholly-owned subsidiary of the Group.

The following summarises the major classes of consideration transferred and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

**Identified assets acquired and liabilities assumed**

	<b>Fair value RM'000</b>
Plant and equipment	7,531
Work in progress	9,577
Receivables	28,473
Tax recoverable	26
Fixed deposits with licensed bank	3,984
Cash and bank balances	133
Deferred tax liabilities	(294)
Borrowings	(21,595)
Payables	(23,353)
Total identified net assets	<u><u>4,482</u></u>

**Net cash outflow arising from the acquisition of subsidiary**

	<b>RM'000</b>
Purchase consideration settled in cash and cash equivalents	7,250
Cash and cash equivalents acquired	<u>9,923</u>
	<u><u>17,173</u></u>

**Goodwill arising on acquisition of subsidiary**

	<b>RM'000</b>
Fair value of total consideration transferred	25,250
Fair value of identifiable net assets	<u>(4,482)</u>
	<u><u>20,768</u></u>

Transaction costs related to the acquisition had been recognised in profit or loss as administrative expenses of the Group and of the Company in the current financial period.

Other than the above, there were no other material changes in the Group for the current quarter.

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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**14 Changes in Contingent Liabilities and Assets**

The contingent liabilities as at 31 July 2014 were as follows:

	<b>Group</b>	
	<b>31/7/2014</b>	<b>30/4/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Bankers' guarantee in favour of third parties	<u>2,978</u>	<u>166</u>

**15 Capital Commitments**

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

	<b>RM'000</b>
(i) Authorised and contracted for	2,220
(ii) Authorised and not contracted for	-
	<u>2,220</u>

Analysed as follows:

	<b>RM'000</b>
Acquisition of plant and equipment	<u>2,220</u>

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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE BURSAMALAYSIA  
SECURITIES BERHAD’S LISTING REQUIREMENTS**

**1 Review of Performance**

Current Quarter

The Group's current quarter revenue of RM62.7 million and profit before tax of RM9.7 million were significantly higher than preceding year corresponding quarter of RM20.9 million and RM0.1 million, respectively. These were due to the maiden contribution from both the construction subsidiary, WZS KenKeong Sdn Bhd (formerly known as KenKeong Sdn Bhd) and our mining associate SE Satu Sdn Bhd.

On the after tax basis, the Group earned RM8.0 million, WZS KenKeong Sdn Bhd and SE Satu Sdn Bhd contributed RM5.6 million and RM2.8 million, respectively. Whilst the steel business suffered losses of RM0.4 million.

Year-To-Date

The Group recorded a revenue of RM152.4 million and profit after tax of RM9.4 million for the 15-month period ended 31 July 2014. The surge in both revenue and profit after tax were due to contribution of 15-month period, as compared with 12-month period and contributions from both the construction subsidiary and mining associate which were, WZS KenKeong Sdn Bhd (formerly known as KenKeong Sdn Bhd) and SE Satu Sdn Bhd, respectively.

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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**2 Variation of Results Against Preceding Quarter**

	<b>Current Quarter 31/07/2014 RM'000</b>	<b>Preceding Quarter 30/04/2014 RM'000</b>
Revenue	62,690	23,851
Profit before tax	9,735	589
Profit after tax	<u>8,041</u>	<u>646</u>

The Group registered a revenue of RM62.7 million and profit before tax of RM9.7 million for the current quarter as compared with a revenue of RM23.9 million and profit before tax of RM0.6 million in the preceding quarter. The increase in revenue for the current quarter was due to the Group's diversification into civil engineering and construction, and mining sectors.

**3 Current Year Prospects**

The Group after successful diversification into civil engineering and construction, and mining sectors are now looking into expanding the businesses in these areas. The Group is optimistic of increasing the order book of the civil engineering and construction, and expanding the bauxite mining business through better recovery rate and exploring other areas for bauxite reserves.

The diversification into Oil and Gas Industry through the acquisition of MISI Setia Oil and Gas Sdn Bhd is expected to be completed by the first quarter of the next financial year, and the Group expects meaningful contribution from this acquisition.

The Group is also looking at various options in regards to the legacy steel business with a view of increasing the return of assets employed and creation of better shareholder value.

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**4 Variance Between Actual Profit and Forecast Profit**

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

**5 Taxation**

Breakdown of taxation is as follow:

	<b>Current Year Quarter 31/07/2014 RM'000</b>	<b>Current Year To Date 31/07/2014 RM'000</b>
Current taxation	(1,724)	(1,998)
(Under) / Over provision	-	15
Movement in deferred taxation	30	635
	<u>(1,694)</u>	<u>(1,348)</u>

The effective tax rate for the current quarter and financial period to date was lower than the statutory tax rate due to availability of reinvestment allowance enjoyed by a subsidiary company and the share of results of an associate company net of tax.

**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.

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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**8 Status Of Corporate Proposals**

On 4 September 2014, subject to certain terms and conditions, Bursa Malaysia Securities Berhad via its letter of even date, granted its approval of the following proposals:

- (i) Proposed issuance of 95 million free warrants in WZ Satu Berhad (formerly known as WZ Steel Berhad) ("WZ Satu") on the basis of 1 free warrant for every 2 existing ordinary shares of RM0.50 each in WZ Satu held by the shareholders of WZ Satu on an entitlement date to be determined and announced later.
- (ii) Proposed placement of up to 57 million new WZ Satu shares representing up to 30% of the existing issued and paid-up share capital of WZ Satu to third-party bumiputera institution(s) and/or investor(s).
- (iii) Proposed acquisition of 5 million ordinary shares of RM1.00 each in Misi Setia Oil & Gas Sdn Bhd ("Misi Setia") representing 100% equity interest in Misi Setia for a purchase consideration of RM27.0 million, of which approximately RM16.2 million will be satisfied in cash and the balance of approximately RM10.8 million is to be satisfied via the issuance of 10,588,235 new WZ Satu shares at an issue price of RM1.02 per WZ Satu share.
- (iv) Proposed diversification of the existing core businesses of WZ Satu and its subsidiaries into the oil and gas industry.
- (v) Proposed increase in the authorised share capital of WZ Satu from RM100 million comprising 200 million WZ Satu shares to RM250 million comprising 500 million WZ Satu shares.
- (vi) Proposed amendments to the Memorandum and Articles of Association of WZ Satu.



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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

Utilisation of Rights Issue proceeds

The rights issue proceeds of RM33.0 million were utilised in the following manner:

	Proposed utilisation <u>RM'000</u>	Actual utilisation @ 29-Aug-14 <u>RM'000</u>	Intended utilisation timeframe	Balance <u>RM'000</u>
Repayment of existing bank borrowings	20,000	20,000	within 12 months	-
Working capital	11,946	11,946	within 12 months	-
Estimated listing expenses	1,054	1,054	within 1 month	-
	<u>33,000</u>	<u>33,000</u>		<u>-</u>

**9 Borrowings and Debts Securities**

The Group's borrowings as at 31 July 2014:-

	<b>Current</b> <b>RM'000</b>	<b>Non-Current</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Secured</b>			
Bank overdraft	7,370	-	7,370
Bankers' acceptances	18,815	-	18,815
Hire purchase creditors	1,945	4,026	5,971
Term loans	981	2,366	3,347
Trust receipts	641	-	641
RC Facilities	1,818	-	1,818
	<u>31,570</u>	<u>6,392</u>	<u>37,962</u>

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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**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.

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

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 July 2014**  
**(Unaudited)**

**13 Retained Profits**

	<b>Current Quarter 31/07/2014 RM'000</b>	<b>Preceding Quarter 30/04/2014 RM'000</b>
Realised	25,926	17,170
Unrealised	(913)	(206)
	25,013	16,964

**14 Earnings Per Share**

	<b>Current Year Quarter 31/07/2014 RM'000</b>	<b>Current Year To Date 31/07/2014 RM'000</b>
Profit after taxation (RM'000)	8,041	9,432
Weighted average no. of shares at the end of the period ('000)	183,913	120,230
Basic earnings per share (sen)	4.37	7.84
Diluted earnings per share (sen)	-	-

**15 Approval for the Release of Quarterly Results**

The quarterly financial results have been approved for release by the Board.