

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 2015**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2015**

	<b>Current Quarter 01/03/2015 To 31/05/2015 RM'000</b>	<b>Current Year To Date 31/05/2015 RM'000</b>
<b>Continuing operations</b>		
Revenue	92,162	238,432
Cost of sales	(73,686)	(193,165)
Gross profit	18,476	45,267
Other income	1,041	2,404
Operations and administrative expenses	(15,935)	(37,984)
Profit from operations	3,582	9,687
Finance costs	(945)	(2,327)
Share of results of an associate	5,463	12,892
Profit before taxation	8,100	20,252
Taxation	(1,395)	(3,138)
<b>Profit after taxation</b>	<b>6,705</b>	<b>17,114</b>
<b>Discontinued operation</b>		
Loss for the period from discontinued operation	(2,333)	(2,206)
<b>Profit for the period</b>	<b>4,372</b>	<b>14,908</b>
<b>Other comprehensive (loss)/income:</b>		
<b>Item that will be reclassified subsequently to profit or loss:</b>		
Foreign exchange translation differences	(104)	376
<b>Total comprehensive income for the period</b>	<b>4,268</b>	<b>15,284</b>

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AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2015**

	<b>Current Quarter 01/03/2015 To 31/05/2015 RM'000</b>	<b>Current Year To Date 31/05/2015 RM'000</b>
<b>Profit attributable to:</b>		
Equity holders of the Company	4,349	14,938
Non-controlling interests	23	(30)
<b>Profit for the period</b>	<u>4,372</u>	<u>14,908</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	4,245	15,314
Non-controlling interests	23	(30)
<b>Total comprehensive income for the period</b>	<u>4,268</u>	<u>15,284</u>
<b>Basic earnings per share (sen):</b>		
-from continuing operations	2.65	7.16
-from discontinued operation	(0.92)	(0.92)
	<u>1.73</u>	<u>6.24</u>
<b>Diluted earnings per share (sen):</b>		
-from continuing operations	2.14	5.95
-from discontinued operation	(0.75)	(0.77)
	<u>1.39</u>	<u>5.18</u>
<b>Net assets per share (sen)</b>	<u>95</u>	<u>95</u>

**Notes:**

- (i) The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 August 2014 and the accompanying explanatory notes attached to the interim financial report.
- (ii) 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**  
**( Company No: 666098-X )**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MAY 2015**

<----- Attributable to Equity Holders of the Company ----->									
Non Distributable					Distributable				
Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000	
<b>Balance as at 1 September 2014</b>	95,000	-	14,869	5,310	(1,390)	27,265	141,054	-	141,054
Profit for the period	-	-	-	-	-	14,938	14,938	(30)	14,908
Currency translation differences	-	-	-	-	376	-	376	-	376
Total comprehensive income	-	-	-	-	376	14,938	15,314	(30)	15,284
Realisation of revaluation reserve	-	-	-	(24)	-	24	-	-	-
Dilution in equity interest in subsidiary companies	-	-	-	-	-	74	74	(74)	-
Dilution in effective interest in a subsidiary company of an associate company	-	-	-	-	-	(259)	(259)	-	(259)
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	340	340
Private placement	26,000	-	32,113	-	-	-	58,113	-	58,113
Acquisition of a subsidiary company	5,294	-	20,541	-	-	-	25,835	-	25,835
Conversion of warrants	116	-	23	-	-	-	139	-	139
<b>Balance as at 31 May 2015</b>	<b>126,410</b>	<b>-</b>	<b>67,546</b>	<b>5,286</b>	<b>(1,014)</b>	<b>42,042</b>	<b>240,270</b>	<b>236</b>	<b>240,506</b>

**WZ Satu Berhad**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MAY 2015**

<----- Attributable to Equity Holders of the Company ----->									
Non Distributable					Distributable				
Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000	
<b>Balance as at 1 May 2013</b>	50,000	(348)	2,232	5,353	(428)	15,541	72,350	-	72,350
Profit for the year	-	-	-	-	-	11,681	11,681	-	11,681
Currency translation differences	-	-	-	-	(962)	-	(962)	-	(962)
Total comprehensive income	-	-	-	-	(962)	11,681	10,719	-	10,719
Realisation of revaluation reserve	-	-	-	(43)	-	43	-	-	-
Purchase of treasury shares	-	(2)	-	-	-	-	(2)	-	(2)
Net proceeds from disposal of treasury shares	-	350	695	-	-	-	1,045	-	1,045
Private placement	5,000	-	1,723	-	-	-	6,723	-	6,723
Rights issue	27,500	-	4,719	-	-	-	32,219	-	32,219
Acquisition of a subsidiary company	12,500	-	5,500	-	-	-	18,000	-	18,000
<b>Balance as at 31 August 2014</b>	<b>95,000</b>	<b>-</b>	<b>14,869</b>	<b>5,310</b>	<b>(1,390)</b>	<b>27,265</b>	<b>141,054</b>	<b>-</b>	<b>141,054</b>

**Note :**

- (i) The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the period ended 31 August 2014 and the accompanying explanatory notes attached to the interim financial report.

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION AS AT 31 MAY 2015**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31/05/2015</b>	<b>31/08/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	71,011	50,845
Goodwill on consolidation	41,025	20,768
Investment in associate	18,579	5,946
Other investments	205	-
Deferred tax assets	830	719
Non-current receivables	14,416	-
<b>Total non-current assets</b>	<b>146,066</b>	<b>78,278</b>
<b>Current assets</b>		
Inventories	31,933	44,657
Trade receivables	61,649	42,174
Amount due from contract customers	52,170	22,585
Other receivables, deposits and prepayments	17,405	6,222
Amount due from an associate company	5	-
Tax recoverable	781	906
Deposits, cash and bank balances	78,653	20,442
<b>Total current assets</b>	<b>242,596</b>	<b>136,986</b>
<b>TOTAL ASSETS</b>	<b>388,662</b>	<b>215,264</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	126,410	95,000
Reserves	113,860	46,054
Equity attributable to owners of the Company	240,270	141,054
Non-controlling interest	236	-
<b>Total equity</b>	<b>240,506</b>	<b>141,054</b>
<b>Non-current liabilities</b>		
Borrowings	8,566	6,375
Deferred tax liabilities	2,162	2,005
<b>Total non-current liabilities</b>	<b>10,728</b>	<b>8,380</b>
<b>Current liabilities</b>		
Trade payables	52,050	23,049
Amount due to contract customers	7,654	743
Other payables and accruals	30,296	5,097
Borrowings	46,919	35,466
Provision for taxation	509	1,475
<b>Total current liabilities</b>	<b>137,428</b>	<b>65,830</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>388,662</b>	<b>215,264</b>
<b>Net assets per share attributable to the equity holders of the Company (sen)</b>	<b>95</b>	<b>74</b>

**Note:**

- (i) The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2014 and the accompanying explanatory notes attached to the interim financial report.

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 MAY 2015**

**Current Year**  
**To Date**  
**31/05/2015**  
**RM'000**

**Cash Flows From Operating Activities**

Profit/(Loss) before taxation from:

-continuing operations	20,252
-discontinued operation	(137)
	20,115

Adjustments for:

Allowances for impairment of receivables	234
Allowances for impairment of receivables written back	
-continuing operations	(44)
-discontinued operation	(26)
Amortisation of long term leasehold land	110
Corporate exercise expense for disposal of a subsidiary company	
-discontinued operation	(371)
Depreciation for property, plant and equipment	
-continuing operations	3,350
-discontinued operation	177
Gain on disposal of plant and equipment	(274)
Interest income	
-continuing operations	(999)
-discontinued operation	(4)
Interest expenses	
-continuing operations	2,327
-discontinued operation	18
Plant and equipment written off	37
Share of results of an associate	(12,892)
Unrealised gain on foreign exchange	(131)

<b>Operating profit before working capital changes</b>	<b>11,627</b>
Decrease in inventories	4,450
Increase in receivables	(41,647)
Increase in payables	34,274
<b>Cash generated from operations</b>	<b>8,704</b>
Interest paid	(2,345)
Interest received	1,003
Net taxes paid	(4,488)
<b>Net cash generated from operating activities</b>	<b>2,874</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 MAY 2015 (CONT'D)**

**Current Year**  
**To Date**  
**31/05/2015**  
**RM'000**

**Cash Flows From Investing Activities**

Decrease in deposits pledged to licensed banks	(327)
Net cash outflow from acquisition of a subsidiary company	(9,345)
Net cash inflow from disposal of a subsidiary company	4,398
Proceeds from disposal of plant and equipment	266
Purchase of club membership	(80)
Purchase of property, plant and equipment	(15,609)
<b>Net cash used in investing activities</b>	<b>(20,697)</b>

**Cash Flows From Financing Activities**

Net proceeds from conversion of warrants	139
Net proceeds from issuance of shares to non-controlling interest	340
Net proceeds from private placement	58,113
Net drawdown from hire purchase	3,787
Net drawdown from bank borrowings	7,822
<b>Net cash generated from financing activities</b>	<b>70,201</b>

**Net increase in cash and cash equivalents** 52,378

**Cash and cash equivalents brought forward** 4,572

Effect of exchange rate changes 191

**Cash and cash equivalents at end of period** **57,141**

**Notes :**

(i) Cash and cash equivalents

Cash and bank balances	56,680
Fixed deposits with licensed banks	21,973
Bank overdrafts	(4,539)
Less: Fixed deposits pledged	(16,973)
	<b>57,141</b>

(ii) The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 August 2014 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 Consolidated Statement of Cash Flow.

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(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 period ended 31 August 2014. 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 period ended 31 August 2014, 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 2014**

Amendments to MFRS 10	Consolidated Financial Statements : Investment Entities
Amendments to MFRS 12	Disclosure of Interest in Other Entities : Investment Entities
Amendments to MFRS 127	Separate Financial Statements : Investment Entities
Amendments to MFRS 132	Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 21	Levies

**Effective for financial periods beginning on or after 1st July 2014**

Annual Improvements to MFRS 2010-2012 cycle	
Annual Improvements to MFRS 2011-2013 cycle	
Amendments to MFRS 119	Defined Benefits Plans: Employee Contribution



**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
(Unaudited)

**2 Accounting Policies (cont'd)**

**Effective for financial periods beginning on or after 1st January 2016**

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisition of Interest in Joint Operations
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture : Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between Investor and its Associate or Joint Venture
Annual Improvements to MFRS 2012-2014 cycle	

**Effective for financial periods beginning on or after 1st January 2017**

MFRS 15	Revenue from Contracts with Customers
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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 period ended 31 August 2014 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.

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**6 Changes in Estimates**

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

**7 Changes in Debts and Equity Securities**

During the current quarter under review, the Company issued 231,000 new ordinary shares for cash arising from the exercise of warrants at exercise price of 60 sen per ordinary share.

**8 Dividend Paid**

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

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**9 Segmental Reporting**

The Group is principally engaged in the business of civil engineering, construction, oil & gas, mining, manufacturing and trading of industrial products.

**REVENUE**

	Total	Elimination	External
	RM'000	RM'000	RM'000
Civil engineering, construction and oil & gas	179,737	-	179,737
Manufacturing	35,187	(338)	34,849
Trading, investment and others	30,043	(6,197)	23,846
Discontinued operation	4,546	(4,546)	-
<b>Total</b>	<b>249,513</b>	<b>(11,081)</b>	<b>238,432</b>

**RESULTS**

	RM'000
Civil engineering, construction and oil & gas	12,732
Manufacturing	(318)
Trading, investment and others	(2,004)
Less: elimination	(723)
Consolidated profit from operations	<u>9,687</u>
Finance cost	(2,327)
Share of results of an associate	12,892
Taxation	(3,138)
Profit after taxation	<u><u>17,114</u></u>
Discontinued operation	<u>(2,206)</u>

**WZ Satu Berhad**  
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**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**9 Segmental Reporting (cont'd)**

**ASSETS AND LIABILITIES**

	Segment Assets RM'000
Civil engineering, construction and oil & gas	158,224
Manufacturing	83,290
Trading, investment and others	237,574
Less: elimination	<u>(90,426)</u>
Total	<u>388,662</u>

	Segment Liabilities RM'000
Civil engineering, construction and oil & gas	108,921
Manufacturing	39,056
Trading, investment and others	28,040
Less: elimination	<u>(27,861)</u>
Total	<u>148,156</u>

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**10 Profit Before Taxation**

	<b>Current Quarter 31/05/2015 RM'000</b>	<b>Current Year To-Date 31/05/2015 RM'000</b>
<b>Profit before taxation is arrived at after charging / (crediting) :</b>		
Allowance for impairment of receivables	7	234
Allowance for impairment of receivables written back		
-continuing operations	(12)	(44)
-discontinued operation	-	(26)
Amortisation of long term leasehold land	37	110
Corporate exercise expense for disposal of a subsidiary		
-discontinued operation	(371)	(371)
Depreciation and amortisation		
-continuing operations	1,701	3,350
-discontinued operation	60	177
Gain on disposal of plant and equipment	(200)	(274)
Interest income		
-continuing operations	(366)	(999)
-discontinued operation	(4)	(4)
Interest expense		
-continuing operations	945	2,327
-discontinued operation	4	18
Plant and equipment written off	-	37
Share of results of an associate	(5,463)	(12,892)
Unrealised gain on foreign exchange	42	(131)
	<u>42</u>	<u>(131)</u>

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

## **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**

On 1 June 2015, the Group's wholly-owned subsidiary, WZS KenKeong Sdn Bhd (formerly known as KenKeong Sdn Bhd) ("WZS KenKeong"), received a letter of award from FajarBaru Builder Sdn Bhd for a contract amounting to RM58,222,146.10 in relation to the proposed construction of Kuantan Port expansion external infrastructure works for the ECERDC Package 2 - Subcontract for Bridge and Associated Works.

On 15 July 2015, WZS Kenkeong received a letter of award from Laksana Amanbina Sdn Bhd for a contract amounting to RM46,796,550.42 in relation to construction of road widening works at the existing Federal Route FR3, Kuantan, Pahang Darul Makmur.

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**13 Changes In The Composition Of The Group**

- (a) The Company had on 19 June 2015, acquired 2 ordinary shares of RM1.00 in the share capital of WZS Minerals Sdn Bhd ("WZSM"), representing 100% equity interest in WZSM at a cash consideration of RM2.00 only. The principal activity of WZSM is to engage in the business of mining, minerals ore; and business related and incidental to mining and mineral ore.
- (b) On 22 May 2015, the Company completed the disposal of the entire issued and paid-up share capital of Weng Zheng Marketing Sdn Bhd, comprising 2,000,000 ordinary shares of RM1.00 each, to Tan Ching Kee for a cash consideration of RM6,079,394.

Statement of profit or loss disclosure

The results attributable to the discontinued operation of the financial period ended 31 May 2015 are as follows:

	Current Year to Date 31/05/2015 RM'000
Revenue	4,515
Cost of sales	(3,379)
Gross profit	<u>1,136</u>
Other income	31
Operations and administrative expenses	<u>(1,286)</u>
Loss from operations	(119)
Finance costs	<u>(18)</u>
Loss before taxation	(137)
Taxation	<u>-</u>
Loss after taxation	(137)
Loss on disposal of a subsidiary company	<u>(2,069)</u>
Loss for the period from discontinued operation	<u>(2,206)</u>

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**13 Changes In The Composition Of The Group (cont'd)**

Statement of cash flows disclosure

The cash flows attributable to the discontinued operation are as follows:

	Current Year to Date 31/05/2015 RM'000
Operating activities	2,313
Investing activities	(37)
Financing activities	(1,514)
Net cash inflows	<u>762</u>

Effect of disposal on the consolidated statement of financial position of the Group:

	Current Year to Date 31/05/2015 RM'000
<u>Assets</u>	
Plant and equipment	1,116
Deferred tax assets	298
Inventories	16,469
Trade receivables	2,053
Other receivables	1,151
Tax recoverable	48
Cash and bank balances	<u>1,681</u>
	22,816
<u>Liabilities</u>	
Trade payables	4
Other payables	16,880
Borrowing	274
	<u>17,158</u>
Net assets	5,658
Corporate exercise expense on disposal of a subsidiary company	371
Fair value loss on non-current debt due from subsidiary company disposed	2,119
Cash consideration	<u>(6,079)</u>
Loss on disposal of a subsidiary company	<u>2,069</u>
Cash consideration	6,079
Less: Cash and cash equivalents of subsidiary disposed	<u>(1,681)</u>
Net cash inflow from disposal of a subsidiary company	<u>4,398</u>



**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**14 Changes In Contingent Liabilities And Assets**

The contingent liabilities as at 31 May 2015 were as follows:

	<b>31/05/2015</b>	<b>Group</b>	<b>31/08/2014</b>
	<b>RM'000</b>		<b>RM'000</b>
Bankers' guarantee in favour of third parties	<u>38,907</u>		<u>5,424</u>

**15 Capital Commitments**

The capital commitments as at 31 May 2015 were as follows:

	<b>RM'000</b>
(i) Authorised and contracted for	13,467
(ii) Authorised and not contracted for	<u>-</u>
	<u>13,467</u>

Analysed as follows:

Acquisition of property, plant and equipment	<u>13,467</u>
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**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

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

**1 Review Of Performance**

Current Quarter and Year-To-Date

For the quarter, the Group generated RM92.2 million in revenue with civil engineering, construction and oil & gas contributing RM69.8 million. This represents 76% of the turnover, the other businesses contributed the balance 24% of the turnover which amounted to RM22.4 million.

For the quarter, the Group registered a higher profit after taxation before loss on disposal of a steel subsidiary of RM6.7 million as compared with the previous quarter of RM5.2 million. After accounting for the one-off loss on the disposal of a steel subsidiary of RM2.3 million, the Group registered a profit after taxation of RM4.4 million.

For the quarter on an after tax basis, mining business contributed RM5.5 million with civil engineering, construction and oil & gas contributed RM1.9 million whilst manufacturing and other businesses incurred losses of RM0.7 million.

For the 9-month period, the Group generated RM238 million in revenue with civil engineering, construction and oil & gas contributing RM180 million. This represents 76% of the turnover, the other businesses within the Group contributed the balance 24% of the turnover which amounted to RM58 million.

For the 9-month period, the Group registered a profit after taxation before loss on disposal of a steel subsidiary of RM17.1 million with mining contributing RM12.9 million; civil engineering, construction and oil & gas contributing RM8.1 million and other businesses incurred losses of RM3.9 million. After accounting for the one-off loss on the disposal of subsidiary of RM2.2 million, the Group registered a profit after taxation of RM14.9 million and total comprehensive income attributable to shareholders of the Company of RM15.3 million.

**2 Variation Of Results Against Preceding Quarter**

	<b>Current Quarter 31/05/2015 RM'000</b>	<b>Preceding Quarter 28/02/2015 RM'000</b>
Revenue	92,162	86,373
Profit before taxation	8,100	5,883
Profit after taxation	<u>6,705</u>	<u>5,193</u>
Loss for the period from discontinued operation	<u>(2,333)</u>	<u>(2,206)</u>

**WZ Satu Berhad**

**( Company No: 666098-X )**

**Notes To The Interim Financial Report**

**For the Period Ended 31 May 2015**

**(Unaudited)**

**2 Variation Of Results Against Preceding Quarter (cont'd)**

The Group registered a 6.7% growth in the revenue to RM92.2 million and it is principally due to increase in turnover in the oil & gas and trading divisions. On a profit before tax level the Group recorded an improvement of 38% to RM8.1 million as compared with the previous quarter of RM5.9 million.

The improvement in the profit before taxation of the current quarter is mainly due to an increase in contribution from mining associate by RM2.0 million to RM5.5 million. Whilst the contribution of the civil engineering, construction and oil and gas subsidiaries registered a decreased contribution of RM0.1 million to RM3.5 million.

The manufacturing and other businesses continue to register a loss before taxation of RM0.9 million as compared to a loss of RM1.2 million in the previous quarter.

**3 Current Year Prospects**

The Group expects to register a commendable increase in after tax profit as compared with that of the preceding period. To date for the 9-month period, the Group has registered a profit after tax of RM17.1 million (before accounting for one-off loss on disposal of a steel subsidiary of RM2.2 million) as compared with RM11.7 million for the preceding 16-month period ended 31 August 2014.

The Group has successfully expanded its order book under its civil engineering and construction subsidiary with the securing a number of contracts amongst others part of West Coast Expressway infrastructure works amounting to RM499 million.

In addition, the Group through its mining associate is able to secure additional mining opportunities and is optimistic of its continued significant contribution to the Group's profitability in the foreseeable future.

The weak Ringgit ("RM") and oil price has an offsetting impact on the Group. A weaker RM has benefitted the Group's mining associate as the product is sold in United States Dollar (USD). Whilst, the weaker oil price has also resulted in a tougher operating environment for our oil and gas subsidiary. At this juncture, the net impact arising from these two factors are not significant.

**4 Variance Between Actual Profit And Forecast Profit**

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

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
(Unaudited)

**5 Taxation**

Breakdown of taxation is as follow:

	<b>Current Quarter 31/05/15 RM'000</b>	<b>Current Year To Date 31/05/15 RM'000</b>
Current taxation	2,029	3,324
(Over)/Underprovision	(115)	523
Movement in deferred taxation	(519)	(709)
	<u>1,395</u>	<u>3,138</u>

The effective tax rates for the current quarter and year to date results were lower than the statutory tax rate due to share of associated company's results is on after tax basis, tax incentive enjoyed by a subsidiary company and deferred tax assets arising from timing differences of certain subsidiary companies.

**6 Profit/(Losses) On Sale Of Unquoted Investments And/Or Properties Respectively For The Current Quarter And Financial Year To Date**

There were no disposals of unquoted investments and/or properties for the current quarter under review and financial year to date.

**7 Quoted Securities**

There were no purchases or disposals of quoted securities during the current quarter under review and financial year to date.

**8 Status Of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**9 Status Of Utilisation Of Proceeds**

- (a) The status of utilisation of the gross proceeds raised from Bumiputera private placements as at 31 May 2015 are as follows:-

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Utilisation	Balance RM'000
Part finance the acquisition of Misi Setia Oil & Gas Sdn Bhd	16,200	16,200	within 6 months	-
Future investment and/or capital expenditure and or funding for working capital in oil & gas industry (*)	5,000	5,000	within 12 months	-
Working capital (*)	36,536	36,536	within 12 months	-
Corporate exercise expenses	2,434	2,434	within 1 month	-
	<u>60,170</u>	<u>60,170</u>		<u>-</u>

- (b) The status of utilisation of the gross proceeds raised from disposal of Weng Zheng Marketing Sdn Bhd as at 31 May 2015 are as follows:-

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Utilisation	Balance RM'000
Future investment and/or capital expenditure and or funding for working capital in oil & gas industry (*)	-	-	within 36 months	-
Repayment of existing bank borrowings (*)	-	-	within 36 months	-
Working capital (*)	5,708	5,708	within 36 months	-
Corporate exercise expenses	371	371	within 1 month	-
	<u>6,079</u>	<u>6,079</u>		<u>-</u>

(\*) On 27 May 2015, the Board of Directors approved and the Company announced that the proceeds originally earmarked for future investments and/or capital expenditure and/or funding for working capital in the oil and gas industry and/or repayment of existing bank borrowings as set out in the Company's Circular to Shareholders on 15 September 2014 and 30 March 2015, were to be reallocated for general working capital purposes.

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**10 Borrowings And Debts Securities**

The Group's borrowings as at 31 May 2015:-

	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>			
Bank overdraft	4,539	-	4,539
Bankers' acceptances	19,765	-	19,765
Factoring	11,588	-	11,588
Hire purchase creditors	3,550	6,656	10,206
RC Facilities	1,832	-	1,832
Term loans	555	1,910	2,465
Trust receipts	5,090	-	5,090
	<u>46,919</u>	<u>8,566</u>	<u>55,485</u>

**11 Off Balance Sheet Financial Instruments**

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

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

## **12 Material Litigation**

As at the date of this announcement, there are no other material litigations against or taken by the Group other than the following:

Arbitration between PT Technic Engineering Sdn Bhd ("PT Technic") ("Claimant") as a sub-contractor to Misi Setia Oil & Gas Sdn Bhd (a wholly-owned subsidiary of the Group) ("MSOG") for resolution of disputed payments due in relation to a mechanical and piping work project.

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PT Technic is claiming for work and additional works completed as well as damages, interest and costs. MSOG disputes PT Technic's claims on the basis, amongst others, that such delay was caused by PT Technic's own poor production planning and resources coordination, that certain works form part of the original scope of works as agreed by PT Technic in the Sub-Contract. MSOG is also counter-claiming for the deduction in fees payable to Claimant for the loss and damage it suffered in having to expand its own resources from other project worksites to assist the Claimant and engaging other sub-contractors to rectify the Claimant's shortcomings. The solicitors acting for MSOG are of the view that MSOG has a favourably good case.

With reference to the above dispute and as mentioned in WZ Satu Berhad's ("WZ Satu") Circular to Shareholders dated 15 September 2014, the Vendors of MSOG have jointly and severally and irrevocably undertaken to indemnify and keep MSOG and WZ Satu harmless on an after tax basis from and against all claims, fines and losses arising from the above dispute.

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**13 Dividend**

No dividend has been declared during the current quarter under review.

**14 Retained Profits**

The breakdown of realised and unrealised retained profits of the Group are as follows:

	<b>As at</b> <b>31/05/2015</b> <b>RM'000</b>	<b>As at</b> <b>31/08/2014</b> <b>RM'000</b>
Total retained profits of the Company and its subsidiaries		
- realised	92,637	54,265
- unrealised	(2,719)	(396)
	<hr/> 89,918	<hr/> 53,869
Total share of retained profits from an associate		
- realised	17,562	4,788
- unrealised	(453)	(312)
	<hr/> 17,109	<hr/> 4,476
Less: Consolidation adjustments	(64,985)	(31,080)
Total retained profits of the Group	<hr/> 42,042	<hr/> 27,265



**WZ Satu Berhad**  
**( Company No: 666098-X )**

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**15 Earnings Per Share**

	<b>Current Quarter 31/05/2015 RM'000</b>	<b>Current Year To Date 31/05/2015 RM'000</b>
<u>Basic</u>		
Profit for the period		
-from continuing operations	6,705	17,114
-from discontinued operation	(2,333)	(2,206)
	<u>4,372</u>	<u>14,908</u>
Weighted average number of ordinary shares in issue ('000)	252,716	239,052
Earnings per share (sen)		
-from continuing operations	2.65	7.16
-from discontinued operation	(0.92)	(0.92)
	<u>1.73</u>	<u>6.24</u>

**WZ Satu Berhad**  
**( Company No: 666098-X )**

**Notes To The Interim Financial Report**  
**For the Period Ended 31 May 2015**  
**(Unaudited)**

**15 Earnings Per Share (cont'd)**

	<b>Current Quarter 31/05/2015 RM'000</b>	<b>Current Year To Date 31/05/2015 RM'000</b>
<u>Diluted</u>		
Profit for the period		
-from continuing operations	6,705	17,114
-from discontinued operation	(2,333)	(2,206)
	<u>4,372</u>	<u>14,908</u>
Weighted average number of ordinary shares in issue ('000)	313,019	287,454
Earnings per share (sen)		
-from continuing operations	2.14	5.95
-from discontinued operation	(0.75)	(0.77)
	<u>1.39</u>	<u>5.18</u>

**16 Approval For The Release Of Quarterly Results**

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