

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

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 AUGUST 2016**

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31/08/16</b>	<b>31/08/15</b>	<b>31/08/16</b>	<b>31/08/15</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	123,592	112,990	465,918	351,422
Cost of sales	(101,471)	(95,729)	(383,935)	(288,936)
Gross profit	22,121	17,261	81,983	62,486
Other income	823	1,222	8,556	3,653
Operating expenses	(12,974)	(16,503)	(66,062)	(54,505)
Profit from operations	9,970	1,980	24,477	11,634
Finance costs	(1,651)	(1,110)	(6,026)	(3,436)
Share of results of associates, net of tax	2,131	5,645	9,365	18,537
Profit before taxation	10,450	6,515	27,816	26,735
Taxation	(2,155)	(1,409)	(5,031)	(4,102)
<b>Profit after taxation</b>	<b>8,295</b>	<b>5,106</b>	<b>22,785</b>	<b>22,633</b>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	-	-	-	(2,207)
<b>Profit after taxation for the period</b>	<b>8,295</b>	<b>5,106</b>	<b>22,785</b>	<b>20,426</b>
<b>Other comprehensive income/(expense), net of tax items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations	-	1,227	-	1,603
<b>Total comprehensive income for the period</b>	<b>8,295</b>	<b>6,333</b>	<b>22,785</b>	<b>22,029</b>

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AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 AUGUST 2016**

<b>Individual Period</b>		<b>Cumulative Period</b>		
<b>3 Months Ended</b>		<b>12 Months Ended</b>		
<b>31/08/16</b>	<b>31/08/15</b>	<b>31/08/16</b>	<b>31/08/15</b>	
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company				
-Continuing operations	7,931	5,370	22,907	22,932
-Discontinued operation	-	-	-	(2,207)
	7,931	5,370	22,907	20,725
Non-controlling interests				
	364	(264)	(122)	(299)
<b>Profit after taxation for the period</b>	<b>8,295</b>	<b>5,106</b>	<b>22,785</b>	<b>20,426</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the Company				
-Continuing operations	7,931	6,597	22,907	24,535
-Discontinued operation	-	-	-	(2,207)
	7,931	6,597	22,907	22,328
Non-controlling interests				
	364	(264)	(122)	(299)
<b>Total comprehensive income for the period</b>	<b>8,295</b>	<b>6,333</b>	<b>22,785</b>	<b>22,029</b>
<b>Basic earnings/(loss) per share (sen):</b>				
-From continuing operations	2.37	1.68	6.95	7.88
-From discontinued operation	-	-	-	(0.76)
	2.37	1.68	6.95	7.12
<b>Diluted earnings/(loss) per share (sen):</b>				
-From continuing operations	2.01	1.38	5.81	6.52
-From discontinued operation	-	-	-	(0.63)
	2.01	1.38	5.81	5.89
<b>Net assets per share (RM)</b>	<b>0.88</b>	<b>0.98</b>	<b>0.88</b>	<b>0.98</b>

**Notes:**

- (i) The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 August 2015 and the accompanying explanatory notes attached to the interim financial report.
- (ii) Comparative earnings per share and comparative diluted earnings per share have been adjusted to account for bonus issue completed in the current financial year.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2016**

	<----- Attributable to Owners of the Company ----->							
	Non Distributable			Distributable			Non-Controlling Interests	Total Equity
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	RM'000	RM'000
<b>Balance as at 1 September 2015</b>	126,455	67,556	5,163	213	47,917	247,304	2,036	249,340
Profit after taxation for the period	-	-	-	-	22,907	22,907	(122)	22,785
Exchange differences on translation of foreign operations	-	-	-	(213)	-	(213)	-	(213)
Total comprehensive income	-	-	-	(213)	22,907	22,694	(122)	22,572
Changes in ownership interest in subsidiary companies	-	-	-	-	45	45	(541)	(496)
Changes to revaluation reserve	-	-	(129)	-	(11)	(140)	-	(140)
Issuance of shares pursuant to:								
-Private placement	12,645	17,584	-	-	-	30,229	-	30,229
-Exercise of warrants	1,010	4	-	-	-	1,014	-	1,014
-Bonus issue	27,824	(27,921)	-	-	-	(97)	-	(97)
Dividends to owners of the Company	-	-	-	-	(5,565)	(5,565)	-	(5,565)
<b>Balance as at 31 August 2016</b>	<b>167,934</b>	<b>57,223</b>	<b>5,034</b>	<b>-</b>	<b>65,293</b>	<b>295,484</b>	<b>1,373</b>	<b>296,857</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2016**

	<----- Attributable to Owners of the Company ----->							
	Non Distributable				Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Retained Earnings	Sub-total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 after taxation for the period	-	-	-	-	20,725	20,725	(299)	20,426
Exchange differences on translation of foreign operations	-	-	-	1,603	-	1,603	-	1,603
Total comprehensive income	-	-	-	1,603	20,725	22,328	(299)	22,029
Changes in ownership interest in subsidiary companies	-	-	-	-	214	214	2,335	2,549
Changes in ownership interest in a subsidiary company of an associate company	-	-	-	-	(258)	(258)	-	(258)
Changes to revaluation reserve	-	-	(147)	-	(29)	(176)	-	(176)
Issuance of shares pursuant to:								
-Private placement	26,000	32,114	-	-	-	58,114	-	58,114
-Acquisition of a subsidiary company	5,294	20,541	-	-	-	25,835	-	25,835
-Conversion of warrants	161	32	-	-	-	193	-	193
<b>Balance as at 31 August 2015</b>	<b>126,455</b>	<b>67,556</b>	<b>5,163</b>	<b>213</b>	<b>47,917</b>	<b>247,304</b>	<b>2,036</b>	<b>249,340</b>

**Note :**

- (i) The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 August 2015 and the accompanying explanatory notes attached to the interim financial report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL  
POSITION AS AT 31 AUGUST 2016**

	<b>Unaudited 31/08/16 RM'000</b>	<b>Audited 31/08/15 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	81,112	85,868
Goodwill on consolidation	41,024	41,024
Investment in associates	28,049	21,086
Club memberships	205	205
Trade and other receivables	4,416	9,737
Deferred tax assets	1,236	671
<b>Total non-current assets</b>	<b>156,042</b>	<b>158,591</b>
<b>Current assets</b>		
Inventories	30,774	30,372
Trade and other receivables	127,574	120,674
Amount due from contract customers	51,057	61,255
Amount due from associates	3,620	3,138
Tax recoverable	1,494	575
Derivative financial assets	95	-
Short term deposits, cash and bank balances	128,296	78,538
<b>Total current assets</b>	<b>342,910</b>	<b>294,552</b>
<b>TOTAL ASSETS</b>	<b>498,952</b>	<b>453,143</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	167,934	126,455
Reserves	127,550	120,849
Equity attributable to owners of the Company	295,484	247,304
Non-controlling interests	1,373	2,036
<b>Total equity</b>	<b>296,857</b>	<b>249,340</b>
<b>Non-current liabilities</b>		
Borrowings	15,784	13,178
Deferred tax liabilities	3,532	1,993
<b>Total non-current liabilities</b>	<b>19,316</b>	<b>15,171</b>
<b>Current liabilities</b>		
Trade and other payables	89,036	127,400
Amount due to contract customers	12,794	996
Derivative financial liabilities	73	-
Borrowings	80,291	59,432
Provision for taxation	585	804
<b>Total current liabilities</b>	<b>182,779</b>	<b>188,632</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>498,952</b>	<b>453,143</b>
<b>Net assets per share attributable to the owners of the Company (RM)</b>	<b>0.88</b>	<b>0.98</b>

**Note:**

- (i) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2015 and the accompanying explanatory notes attached to the interim financial report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2016**

<b>12 Months Ended</b>	
<b>31/08/16</b>	<b>31/08/15</b>
<b>RM'000</b>	<b>RM'000</b>

**Cash Flows From Operating Activities**

Profit/(Loss) before taxation:		
Continuing operations	27,816	26,735
Discontinued operation	-	(2,207)
	<u>27,816</u>	<u>24,528</u>
Adjustments for:		
Non-cash items	7,190	5,249
Non-operating items	(10,110)	(13,117)
<b>Operating profit before working capital changes</b>	<u>24,896</u>	<u>16,660</u>
Net changes in assets	1,054	(89,544)
Net changes in liabilities	(7,942)	78,600
<b>Cash generated from operations</b>	<u>18,008</u>	<u>5,716</u>
Interest paid	(6,026)	(3,454)
Interest received	2,829	1,736
Net taxes paid	(5,640)	(5,103)
<b>Net cash generated from/(used in) operating activities</b>	<u>9,171</u>	<u>(1,105)</u>

**Cash Flows From Investing Activities**

Acquisition of a subsidiary, net of cash acquired	-	(9,345)
Deposits withdrawn from licensed banks	3,517	122
Dividend received from associated companies	6,430	-
Investment in associates	-	(293)
Purchase of property, plant and equipment	(44,439)	(22,325)
Proceeds from disposal of property, plant and equipment	2,884	281
Proceeds from disposal of interests in subsidiaries, net of cash disposed	4,586	4,398
Purchase of club memberships	-	(80)
<b>Net cash used in investing activities</b>	<u>(27,022)</u>	<u>(27,242)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2016 (CONT'D)**

<b>12 Months Ended</b>	
<b>31/08/16</b>	<b>31/08/15</b>
<b>RM'000</b>	<b>RM'000</b>

**Cash Flows From Financing Activities**

Dividends paid to owners of the Company	(5,565)	-
Net proceeds from private placement	30,229	58,113
Net proceeds from issuance of shares to non-controlling interests	400	2,550
Net proceeds from conversion of warrants	1,014	193
Expenses paid in relation to bonus issue exercise	(97)	-
Drawdown/(Repayment) of finance lease liabilities	23,131	(1,726)
Drawdown of bank borrowings	19,805	16,821
<b>Net cash generated from financing activities</b>	<b>68,917</b>	<b>75,951</b>
<b>Net increase in cash and cash equivalents</b>	<b>51,066</b>	<b>47,604</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>52,568</b>	<b>4,572</b>
Effect of the exchange rate fluctuations on cash held	(75)	392
<b>Cash and cash equivalents at end of the financial year</b>	<b>103,559</b>	<b>52,568</b>

**Notes :**

- (i) Short term deposits, cash and bank balances

Cash on hand and at banks	115,528	56,952
Deposits with licensed banks	12,768	21,586
Cash and bank balances	128,296	78,538
Less: Bank overdrafts	(11,969)	(9,426)
Less: Deposits pledged to licensed banks	(12,768)	(16,544)
<b>Cash and cash equivalents</b>	<b>103,559</b>	<b>52,568</b>

- (ii) The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 August 2015 and the accompanying explanatory notes attached to the interim financial report.

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2016**  
**(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 31 August 2015. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to the 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 Berhad (“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 31 August 2015, except for the adoption of the following new MFRSs and amendments / improvements to MFRSs which are applicable to its current financial statements:

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

Amendments/Improvements to MFRSs

MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 138	Intangible Assets
MFRS 141	Agriculture



**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2016**  
(Unaudited)

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

**Effective for financial periods beginning on or after 1 January 2018**

New MFRSs

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 7 Financial Instruments: Disclosures

**3 Auditors' Report on Preceding Audited Financial Statements**

The auditors' report on the preceding year's audited financial statements 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 quarter under review and financial year to date.

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2016**  
**(Unaudited)**

**6 Changes in Estimates**

There were no changes in estimates that have a material impact on the current quarter and financial year to date results.

**7 Changes in Debts and Equity Securities**

During the current quarter under review, the Company issued 1,980,080 ordinary shares of RM0.50 each for cash arising from the exercise of warrants at an exercise price of RM0.50 per ordinary share. The proceeds raised therefrom had been fully utilised for working capital purpose.

**8 Dividend Paid**

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

**WZ Satu Berhad****( Company No: 666098-X )****Notes To The Interim Financial Report  
For the Year Ended 31 August 2016  
(Unaudited)****9 Segmental Reporting**

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

**Revenue**

	<b>Total</b>	<b>Elimination</b>	<b>External</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Civil engineering and construction	257,628	-	257,628
Oil and gas	113,943	-	113,943
Manufacturing	54,701	(223)	54,478
Trading, investment and others	54,736	(14,867)	39,869
Total	<u>481,008</u>	<u>(15,090)</u>	<u>465,918</u>

**Results**

Civil engineering and construction	15,670
Oil and gas	5,028
Manufacturing	2,380
Trading, investment and others	4,376
Less: elimination	<u>(2,977)</u>
Profit from operations	24,477
Finance cost	(6,026)
Share of results of associates, net of tax	9,365
Taxation	<u>(5,031)</u>
Profit after taxation	<u>22,785</u>

**WZ Satu Berhad**

( Company No: 666098-X )

**Notes To The Interim Financial Report  
For the Year Ended 31 August 2016  
(Unaudited)**

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

**Assets and Liabilities**

	<b>Segment <u>Assets</u> RM'000</b>
Civil engineering and construction	136,432
Oil & gas	92,100
Manufacturing	105,212
Trading, investment and others	292,139
Less: elimination	<u>(126,931)</u>
Total	<u>498,952</u>

	<b>Segment <u>Liabilities</u> RM'000</b>
Civil engineering and construction	108,082
Oil & gas	57,006
Manufacturing	53,925
Trading, investment and others	44,718
Less: elimination	<u>(61,636)</u>
Total	<u>202,095</u>

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2016**  
(Unaudited)

**10 Profit Before Taxation**

	<b>3 Months Ended</b>	<b>12 Months Ended</b>
	<b>31/08/16</b>	<b>31/08/16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit before taxation is arrived at after charging / (crediting) :</b>		
Change in provision for late and ascertained damages	(336)	(336)
Depreciation for property, plant and equipment	1,807	7,190
Fair value adjustments on financial assets/liabilities	229	771
Loss/(Gain) on disposal of property, plant and equipment	8	(648)
Gains on disposal of interests in subsidiaries	-	(3,957)
Impairment loss on receivables	391	391
Interest expenses	1,651	6,026
Interest income	(853)	(2,829)
Plant and equipment written off	51	52
Reversal of impairment loss on receivables	(9)	(260)
Share of results of associates	(2,131)	(9,365)
Unrealised loss on foreign exchange	215	171
	<u>215</u>	<u>171</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 subsequent event up to the date of this report.

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

There were no changes in the composition of the Group during the quarter under review.

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2016**  
**(Unaudited)**

**14 Changes In Contingent Liabilities And Assets**

The contingent liabilities as at 31 August 2016 were as follows:

	<b>Group</b>	
	<b>31/08/2016</b>	<b>31/08/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Guarantees in favour of third parties	119,250	74,176
Guarantees given to financial institutions in respect of credit facilities granted to an associate	8,214	-
	<u>127,464</u>	<u>74,176</u>

**15 Capital Commitments**

The capital commitments as at 31 August 2016 were as follows:

	<b>RM'000</b>
(i) Authorised and contracted for	4,240
(ii) Authorised and not contracted for	-
	<u>4,240</u>

Analysed as follows:

Acquisition of property, plant and equipment	<u>4,240</u>
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**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2016**  
**(Unaudited)**

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

**1 Review Of Performance**

Current Year Quarter against Preceding Year Corresponding Quarter

The Group generated a revenue of RM123.6 million in the current quarter compared to RM113.0 million in the preceding year corresponding quarter. Current quarter revenue increased by RM10.6 million or 9% compared to the comparative quarter. Increase in Group revenue was mainly attributed to the increase in civil engineering and construction segment revenue which contributed RM11.9 million whilst, the remaining segments registered a net lower revenue of RM1.3 million. Civil engineering and construction revenue increased from RM52.9 million in the comparative quarter to RM64.8 million in the current quarter.

The Group registered a higher profit after taxation of RM8.3 million in the current quarter compared to RM5.1 million in the preceding year corresponding quarter. The increase in profit after taxation was due mainly to improved results recorded by the civil engineering and construction and oil and gas segments from RM0.8 million and RM1.0 million respectively in the comparative quarter to RM3.1 million for each of these segments in the current quarter. As expected, the mining segment generated lower profit after taxation due to the exercise of mining moratorium in Kuantan, Pahang by the Federal Government; with a profit after taxation of RM2.2 million in the current quarter compared to RM5.6 million in the comparative quarter. Remaining segments recorded lower losses with loss after taxation of RM0.1 million in the current quarter compared to RM2.3 million loss after taxation in the comparative quarter.

Current Year-To-Date against Preceding Year Corresponding Year-To-Date

The Group generated a revenue of RM465.9 million for the current year-to-date compared to RM351.4 million in the preceding year corresponding year-to-date. Current year-to-date revenue increased by RM114.5 million or 33% compared to the comparative year-to-date. The increase in Group revenue was mainly contributed by the civil engineering and construction segment which amounted to RM102.6 million and the balance increase was contributed by the remaining segments.

The Group registered a higher profit after taxation of RM22.8 million compared to RM20.4 million for the preceding year corresponding year-to-date. The increase in profit after taxation was mainly attributed to improved performance in the civil engineering and construction segment. The civil engineering and construction segment recorded a profit after taxation of RM8.6 million compared to the comparative year-to-date profit after taxation of RM5.2 million. However, the improved results were diluted by weaker results in the mining and oil and gas segments arising from the mining moratorium and challenges in the oil and gas industry. The mining and oil and gas segments profit after taxation reduced from RM18.5 million and RM5.0 million in the comparative year-to-date to RM9.7 million and RM3.3 million in the current year-to-date respectively. Remaining segments recorded a turnaround in their results from a loss after taxation of RM6.1 million in comparative year-to-date to RM1.2 million profit after taxation in current year-to-date. In the preceding year, there was also a loss on discontinued operation of RM2.2 million.

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2016**  
**(Unaudited)**

**2 Variation Of Results Against Preceding Quarter**

	<b>3 Months Ended</b>	<b>3 Months Ended</b>
	<b>31/08/16</b>	<b>31/05/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	123,592	125,467
Profit before taxation	10,450	7,230
Profit after taxation	<u>8,295</u>	<u>5,646</u>

The Group registered a lower revenue of RM123.6 million for this quarter compared to revenue of RM125.5 million for the preceding quarter. The decrease in revenue quarter to quarter was mainly attributed to the decrease in revenue of RM7.8 million in the civil engineering and construction segment. Other segments recorded a combined higher revenue of RM5.9 million.

Profit before taxation was higher at RM10.5 million in this quarter compared to RM7.2 million in the preceding quarter. The increase in profit before taxation was mainly attributed to stronger results recorded in the oil and gas, civil engineering and construction and mining segments which recorded higher profit before taxation of RM3.4 million, RM4.2 million and RM2.2 million respectively in this quarter compared to profit before taxation of RM1.0 million, RM2.3 million and RM0.5 million in the preceding quarter.

The other segments of the businesses recorded a combined net profit before taxation of RM0.7 million for this quarter compared to profit before taxation of RM3.4 million in the preceding quarter; out of which, RM2.9 million was attributed to the gain on disposal of PT WZ Steel in the preceding quarter.



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**3 Prospects**

The key business segments of the Group are civil engineering and construction, oil and gas, manufacturing and bauxite mining.

For civil engineering and construction segment, the Group not only accumulated an order book to last for the next two to three years; the Group is also confident that its order book will grow beyond the run-off rate. The outlook of this sector is promising with the Group benefiting from Government expenditure in infrastructure. The Group is actively pursuing various opportunities and is optimistic of this segment's contribution in the next financial year.

With the current challenging economic environment and operating conditions for the oil and gas and manufacturing segments, the Group is vigilant in managing costs. Despite the current tough conditions, the Group has been resilient in managing these challenges to improve on these segments' contributions to the Group. Misi Setia Oil & Gas Sdn Bhd's investment in the Automated Pipe Spooling fabrication plant has kicked-off well and has led to successfully securing contracts in The Refinery and Petrochemical Integrated Development (RAPID) project.

Besides the uncertainties in the global commodity markets for bauxite, the environmental issues of bauxite mining in Kuantan, Pahang, has resulted in a 11-month moratorium imposed by the Government of Malaysia on bauxite mining in Kuantan effective 15 January 2016. Even though this would continue to impact the Group's share of current associate results, the Group considers this to be a temporary setback and the mining segment contribution to the Group will eventually improve and be recurrent into the future.

The rationalisation of the Group's manufacturing segment with the disposal of equity interests in PT WZ Steel and WZS Technologies Sdn Bhd, have significantly reduced the Group's exposure to investments that require a long gestation period to profitability. These divestments have further improved the current year's prospects of the Group.

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

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

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**5 Taxation**

Breakdown of taxation is as follow:

	<b>3 Months Ended</b>	<b>12 Months Ended</b>
	<b>31/08/16</b>	<b>31/08/16</b>
	<b>RM'000</b>	<b>RM'000</b>
Current taxation	1,833	4,420
Under provision	75	300
Movement in deferred taxation	247	311
	<u>2,155</u>	<u>5,031</u>

The effective tax rate for the current quarter and year-to-date results were lower than the statutory tax rate due to share of associated companies' results on a net of tax basis.

**6 Profit/(Losses) On Sale Of Unquoted Investments And/Or Properties 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 changes in the composition of the Group during the quarter under review.

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**9 Borrowings And Debts Securities**

The Group's borrowings as at 31 August 2016:-

	<b>Current RM'000</b>	<b>Non- current RM'000</b>	<b>Total RM'000</b>
Secured:			
Ringgit Malaysia	<u>30,053</u>	<u>4,105</u>	<u>34,158</u>
	<u>30,053</u>	<u>4,105</u>	<u>34,158</u>
Unsecured:			
Ringgit Malaysia	<u>50,238</u>	<u>11,679</u>	<u>61,917</u>
	<u>50,238</u>	<u>11,679</u>	<u>61,917</u>
Total	<u>80,291</u>	<u>15,784</u>	<u>96,075</u>

**10 Off Balance Sheet Financial Instruments**

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

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## **11 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 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.

The case is currently under arbitration and there is no material development since the date of the last report.

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**12 Dividend**

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

**13 Retained Earnings**

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

	<b>As at</b> <b>31/08/2016</b> <b>RM'000</b>	<b>As at</b> <b>31/08/2015</b> <b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	72,376	67,588
- Unrealised	414	(1,561)
	<u>72,790</u>	<u>66,027</u>
Associates		
- Realised	26,770	20,219
- Unrealised	(1,192)	(603)
	<u>25,578</u>	<u>19,616</u>
Less: Consolidation eliminations	(33,075)	(37,726)
Total retained earnings of the Group	<u>65,293</u>	<u>47,917</u>

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**14 Earnings Per Share**

	<b>3 Months Ended</b>	<b>12 Months Ended</b>
	<b>31/08/16</b>	<b>31/08/16</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Basic</u>		
Profit attributable to owners of the Company	7,931	22,907
Weighted average number of ordinary shares for basic earnings per share ('000)	334,640	329,648
Earnings per ordinary share (sen)	2.37	6.95

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

	<b>3 Months Ended</b>	<b>12 Months Ended</b>
	<b>31/08/16</b>	<b>31/08/16</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Diluted</u>		
Profit for the period	7,931	22,907
Weighted average number of ordinary shares for basic earnings per share ('000)	334,640	329,648
Effect of dilution due to warrants ('000)	60,098	64,791
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	394,738	394,439
Earnings per ordinary share (sen)	2.01	5.81

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

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