

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

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2017**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 AUGUST 2017**

	Individual Quarter				Cumulative Quarter			
	3 Months Ended		Changes		12 Months Ended		Changes	
	31/08/17	31/08/16			31/08/17	31/08/16		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	150,378	123,592	26,786	22%	560,448	465,933	94,515	20%
Cost of sales	(129,410)	(101,471)	(27,939)	28%	(468,413)	(384,474)	(83,939)	22%
Gross profit	20,968	22,121	(1,153)	-5%	92,035	81,459	10,576	13%
Other income	5,021	823	4,198	510%	11,035	9,937	1,098	11%
Operating expenses	(17,208)	(12,974)	(4,234)	33%	(67,345)	(66,766)	(579)	1%
Profit from operations	8,781	9,970	(1,189)	-12%	35,725	24,630	11,095	45%
Finance costs	(2,215)	(1,651)	(564)	34%	(7,743)	(6,026)	(1,717)	28%
Share of results of associates, net of tax	(1,603)	2,131	(3,734)	-175%	4,702	9,392	(4,690)	-50%
Profit before taxation	4,963	10,450	(5,487)	-53%	32,684	27,996	4,688	17%
Taxation	(1,554)	(2,155)	601	-28%	(7,241)	(4,976)	(2,265)	46%
<b>Profit for the period/year</b>	<b>3,409</b>	<b>8,295</b>	<b>(4,886)</b>	<b>-59%</b>	<b>25,443</b>	<b>23,020</b>	<b>2,423</b>	<b>11%</b>
<b>Other comprehensive income/(loss), net of tax items that may be reclassified subsequently to profit or loss:</b>								
Reclassification of foreign currency translation reserve to profit or loss upon disposal of a subsidiary	-	-	-	N/A	-	(213)	213	-100%
Gains on revaluation of properties	-	-	-	N/A	14,415	-	14,415	N/A
<b>Total comprehensive income for the period/year</b>	<b>3,409</b>	<b>8,295</b>	<b>(4,886)</b>	<b>-59%</b>	<b>39,858</b>	<b>22,807</b>	<b>17,051</b>	<b>75%</b>

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**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2017**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 AUGUST 2017**

	Individual Quarter				Cumulative Quarter			
	3 Months Ended		Changes		12 Months Ended		Changes	
	31/08/17	31/08/16			31/08/17	31/08/16		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Profit/(Loss) attributable to:</b>								
Owners of the Company	3,485	7,931	(4,446)	-56%	25,345	23,072	2,273	10%
Non-controlling interests	(76)	364	(440)	-121%	98	(52)	150	-288%
<b>Profit for the period/year</b>	<b>3,409</b>	<b>8,295</b>	<b>(4,886)</b>	<b>-59%</b>	<b>25,443</b>	<b>23,020</b>	<b>2,423</b>	<b>11%</b>
<b>Total comprehensive income/(expense) attributable to:</b>								
Owners of the Company	3,485	7,931	(4,446)	-56%	39,760	22,859	16,901	74%
Non-controlling interests	(76)	364	(440)	-121%	98	(52)	150	-288%
<b>Total comprehensive income for the period/year</b>	<b>3,409</b>	<b>8,295</b>	<b>(4,886)</b>	<b>-59%</b>	<b>39,858</b>	<b>22,807</b>	<b>17,051</b>	<b>75%</b>
<b>Earnings per share attributable to Owners of the Company (sen):</b>								
-Basic	1.00	2.37	(1.37)	-58%	7.29	7.00	0.29	4%
-Diluted	0.86	2.01	(1.15)	-57%	6.29	5.85	0.44	8%
<b>Net assets per share (RM)</b>	<b>0.95</b>	<b>0.88</b>	<b>0.07</b>	<b>8%</b>	<b>0.95</b>	<b>0.88</b>	<b>0.07</b>	<b>8%</b>

**Note:**

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 August 2016 and the accompanying explanatory notes attached to the interim financial report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017**

<----- Attributable to Owners of the Company ----->						
	Non-Distributable		Distributable			
Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000

**12 months ended 31 August 2017**

<b>Balance as at 1 September 2016</b>	167,934	57,222	5,036	65,458	295,650	1,443	297,093
Profit for the year	-	-	-	25,345	25,345	98	25,443
Gains on revaluation of properties	-	-	14,415	-	14,415	-	14,415
Total comprehensive income	-	-	14,415	25,345	39,760	98	39,858
Changes in revaluation reserve	-	-	(527)	637	110	-	110
Subscription of shares in subsidiary	-	-	-	54	54	(54)	-
Issuance of shares pursuant to:							
-Exercise of warrants	6,504	-	-	-	6,504	-	6,504
Effects from adoption of no-par-value regime on 31 January 2017 <sup>^</sup>	57,222	(57,222)	-	-	-	-	-
Dividend paid on shares	-	-	-	(10,466)	(10,466)	-	(10,466)
<b>Balance as at 31 August 2017</b>	<b>231,660</b>	<b>-</b>	<b>18,924</b>	<b>81,028</b>	<b>331,612</b>	<b>1,487</b>	<b>333,099</b>

<sup>^</sup>The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM57.2 million for purposes as set out in Section 618 (3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017**

<----- Attributable to Owners of the Company ----->								
	Non-Distributable				Distributable			
Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000	
<b>12 months ended 31 August 2016</b>								
<b>Balance as at 1 September 2015</b>	126,455	67,555	5,164	213	47,917	247,304	2,036	249,340
Profit for the year	-	-	-	-	23,072	23,072	(52)	23,020
Reclassification of foreign currency translation reserve to profit or loss upon disposal of a subsidiary	-	-	-	(213)	-	(213)	-	(213)
Total comprehensive income	-	-	-	(213)	23,072	22,859	(52)	22,807
Changes in revaluation reserve	-	-	(128)	-	(11)	(139)	-	(139)
Subscription of shares in subsidiaries by non-controlling interest	-	-	-	-	45	45	355	400
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	(896)	(896)
Issuance of shares pursuant to:								
-Private placement	12,645	17,957	-	-	-	30,602	-	30,602
-Exercise of warrants	1,010	4	-	-	-	1,014	-	1,014
-Bonus issue	27,824	(27,824)	-	-	-	-	-	-
Dividend paid on shares	-	-	-	-	(5,565)	(5,565)	-	(5,565)
Transaction costs of share issue	-	(470)	-	-	-	(470)	-	(470)
<b>Balance as at 31 August 2016</b>	<b>167,934</b>	<b>57,222</b>	<b>5,036</b>	<b>-</b>	<b>65,458</b>	<b>295,650</b>	<b>1,443</b>	<b>297,093</b>

**Note:**

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 August 2016 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 2017**

	<b>Unaudited 31/08/17 RM'000</b>	<b>Audited 31/08/16 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	95,802	81,813
Goodwill on consolidation	41,024	41,024
Investment in associates	28,587	28,076
Club memberships	205	205
Other receivable	-	4,416
Deferred tax assets	-	211
<b>Total non-current assets</b>	<u>165,618</u>	<u>155,745</u>
<b>Current assets</b>		
Inventories	28,675	30,186
Trade and other receivables	170,716	133,714
Prepayments	3,175	2,762
Amount due from contract customers	108,683	51,057
Tax recoverable	1,980	1,498
Derivative financial assets	9	95
Short term deposits, cash and bank balances	90,637	128,324
Assets classified as held for sale	26,279	-
<b>Total current assets</b>	<u>430,154</u>	<u>347,636</u>
<b>TOTAL ASSETS</b>	<u>595,772</u>	<u>503,381</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	231,660	167,934
Reserves	99,952	127,716
Equity attributable to owners of the Company	<u>331,612</u>	<u>295,650</u>
Non-controlling interests	1,487	1,443
<b>Total equity</b>	<u>333,099</u>	<u>297,093</u>
<b>Non-current liabilities</b>		
Borrowings	17,579	15,899
Deferred tax liabilities	6,030	2,485
<b>Total non-current liabilities</b>	<u>23,609</u>	<u>18,384</u>
<b>Current liabilities</b>		
Trade and other payables	108,141	94,143
Amount due to contract customers	9,781	12,793
Borrowings	104,747	80,314
Derivative financial liabilities	27	73
Provision for liabilities	268	24
Tax payables	165	557
Liabilities classified as held for sale	15,935	-
<b>Total current liabilities</b>	<u>239,064</u>	<u>187,904</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>595,772</u>	<u>503,381</u>
<b>Net assets per share attributable to the owners of the Company (RM)</b>	<u>0.95</u>	<u>0.88</u>

**Note:**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2016 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 2017**

<b>12 Months Ended</b>	
<b>31/08/17</b>	<b>31/08/16</b>
<b>RM'000</b>	<b>RM'000</b>

**Cash Flows From Operating Activities**

Profit before taxation	32,684	27,996
Adjustments for non-cash items	5,594	(2,339)
<b>Operating cash flows before changes in working capital</b>	<b>38,278</b>	<b>25,657</b>
Net changes in assets	(93,493)	(14,853)
Net changes in liabilities	21,094	8,386
<b>Net cash flows (used in)/generated from operations</b>	<b>(34,121)</b>	<b>19,190</b>
Interest paid	(8,100)	(6,026)
Interest received	2,663	2,817
Dividend received	5,190	6,430
Net taxes paid	(6,730)	(5,638)
<b>Net cash (used in)/generated from operating activities</b>	<b>(41,098)</b>	<b>16,773</b>

**Cash Flows From Investing Activities**

Investment in an associate	(1,000)	-
Purchase of plant and equipment	(13,219)	(15,060)
Proceeds from disposal of property, plant and equipment	202	2,886
Proceeds from disposal of subsidiaries, net of cash disposed	-	4,586
<b>Net cash used in investing activities</b>	<b>(14,017)</b>	<b>(7,588)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017 (CONT'D)**

<b>12 Months Ended</b>	
<b>31/08/17</b>	<b>31/08/16</b>
<b>RM'000</b>	<b>RM'000</b>

**Cash Flows From Financing Activities**

Deposits withdrawn from licensed banks	12,751	3,535
Dividend paid	(10,466)	(5,565)
Net proceeds from private placement	-	30,602
Net proceeds from conversion of warrants	6,504	1,014
Net proceeds from issuance of shares to non-controlling interest	-	400
Shares issuance expense	-	(470)
Repayment of finance lease liabilities	(6,660)	(6,925)
Drawdown of finance lease	1,838	-
Drawdown of bank borrowings	23,429	19,804
<b>Net cash generated from financing activities</b>	<b>27,396</b>	<b>42,395</b>
<b>Net change in cash and cash equivalents</b>	<b>(27,719)</b>	<b>51,580</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>103,604</b>	<b>52,569</b>
Effect of the exchange rate fluctuations	487	(545)
<b>Cash and cash equivalents at end of the financial year</b>	<b>76,372</b>	<b>103,604</b>

**Notes :**

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

Cash on hand and at banks	90,637	110,345
Deposits with licensed banks	-	17,979
Cash and bank balances	90,637	128,324
Less: Bank overdrafts	(14,265)	(11,969)
Less: Deposits pledged to licensed banks	-	(12,751)
<b>Cash and cash equivalents</b>	<b>76,372</b>	<b>103,604</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 2016 and the accompanying explanatory notes attached to the interim financial report.

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2017**  
**(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 2016. 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 2016, 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
<u>New MFRSs</u>	
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
<u>Amendments/Improvements to MFRSs</u>	
MFRS 2 Share-based Payment	1 January 2018
MFRS 107 Statement of Cash Flows	1 January 2017
MFRS 112 Income Taxes	1 January 2017

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2017**  
(Unaudited)

**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**

During the current quarter under review, the Federal Government of Malaysia imposed a complete ban on bauxite export. Arising from this ban, the Group recorded a share of loss of RM1.2 million in the current quarter mining segment result.

**6 Changes in Accounting Estimates**

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

**7 Changes in Debts and Equity Securities**

There were no debt and equity securities issued, cancelled, repurchased, resold or repaid during the current quarter under review.

**8 Dividends Paid**

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

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2017**  
**(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	280,849	-	280,849
Oil and gas	179,998	(157)	179,841
Manufacturing	57,327	-	57,327
Investment and others	85,857	(43,426)	42,431
<b>Total</b>	<b>604,031</b>	<b>(43,583)</b>	<b>560,448</b>

**Results**

	<b>RM'000</b>
Civil engineering and construction	15,216
Oil and gas	13,932
Manufacturing	7,488
Investment and others	28,434
Less: elimination	(29,345)
Profit from operations	<u>35,725</u>
Finance cost	(7,743)
Share of results of associates, net of tax	4,702
Taxation	(7,241)
Profit for the year	<u>25,443</u>
Gain on revaluation of properties	14,415
Total comprehensive income for the year	<u><u>39,858</u></u>

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2017**  
**(Unaudited)**

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

**Assets and Liabilities**

	<b>Segment</b>
	<b><u>Assets</u></b>
	<b>RM'000</b>
Civil engineering and construction	162,529
Oil and gas	134,955
Manufacturing	84,420
Investment and others	324,499
Less: elimination	(110,631)
Total	<u>595,772</u>

	<b>Segment</b>
	<b><u>Liabilities</u></b>
	<b>RM'000</b>
Civil engineering and construction	124,624
Oil and gas	98,750
Manufacturing	34,722
Investment and others	46,086
Less: elimination	(41,509)
Total	<u>262,673</u>

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2017**  
**(Unaudited)**

**10 Profit Before Taxation**

	<b>3 Months Ended</b>	<b>12 Months Ended</b>
	<b>31/08/17</b>	<b>31/08/17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit before taxation is arrived at after charging/(crediting) :</b>		
Depreciation for property, plant and equipment	3,051	11,553
Fair value loss/(gain) on financial assets and liabilities	44	(2,464)
Net fair value (gain)/loss on derivatives	(69)	40
Gain on disposal of property, plant and equipment	(3,494)	(3,553)
Impairment loss on receivables	32	80
Interest expenses	2,215	7,743
Interest income	(610)	(2,663)
Plant and equipment written off	95	130
Reversal of impairment loss on receivables	(254)	(332)
Provision for liabilities and charges	139	222
Share of results of associates	1,603	(4,702)
Staff loan written off	5	5
Unrealised loss/(gain) on foreign exchange	86	(465)
	<u>86</u>	<u>(465)</u>

**11 Valuation Of Property**

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 2017**  
**(Unaudited)**

**14 Changes In Contingent Liabilities And Assets**

The contingent liabilities as at 31 August 2017 were as follows:

	<b>Group</b>	
	<b>31/08/17</b>	<b>31/08/16</b>
	<b>RM'000</b>	<b>RM'000</b>
Guarantees in favour of third parties	99,457	119,250
Guarantees given to financial institutions in respect of credit facilities granted to an associate	8,214	6,374
	<u>107,671</u>	<u>125,624</u>

**15 Capital Commitments**

The capital commitments as at 31 August 2017 were as follows:

	<b>RM'000</b>
(i) Authorised and contracted for	1,432
(ii) Authorised and not contracted for	5,366
	<u>6,798</u>

Analysed as follows:

Acquisition of plant and equipment	<u>6,798</u>
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WZ Satu Berhad

( Company No: 666098-X )

**Notes To The Interim Financial Report  
For the Year Ended 31 August 2017  
(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

	Individual Quarter			
	3 Months Ended		Changes	
	31/08/17	31/08/16		
Revenue	150,378	123,592	26,786	22%
Profit before taxation	4,963	10,450	(5,487)	-53%

The Group generated a higher revenue of 22% to RM150.4 million in the current quarter compared to RM123.6 million in the preceding year corresponding quarter. The increase in Group revenue of RM26.8 million was mainly contributed by the oil and gas subsidiary with an incremental revenue of RM21.3 million. This was followed by civil engineering and construction and manufacturing subsidiaries with incremental revenue of RM6.7 million and RM3.0 million, respectively. The remaining subsidiaries registered a lower revenue of RM4.2 million.

The Group's profit before taxation declined by 52% to RM5.0 million as compared to that of the preceding year corresponding quarter of RM10.5 million. The lower profit before taxation was mainly due to a share of loss in mining associates' results of RM1.2 million compared to share of profits of RM2.2 million in the comparative quarter. Further, the civil engineering and construction subsidiary registered a lower profit before taxation of RM2.6 million. This was offset by an incremental profit before taxation of RM0.9 million and RM0.6 million in the manufacturing and oil and gas subsidiaries, respectively. Remaining subsidiaries registered a loss before taxation of RM0.3 million as compared to a profit before taxation of RM0.7 million in the comparative quarter.

**Notes To The Interim Financial Report**  
**For the Year Ended 31 August 2017**  
**(Unaudited)**

**1 Review Of Performance (cont'd)**

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

	<b>Cumulative Quarter</b>			
	<b>12 Months Ended</b>		<b>Changes</b>	
	<b>31/08/17</b>	<b>31/08/16</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	560,448	465,933	94,515	20%
Profit before taxation	32,684	27,996	4,688	17%

The Group generated a higher revenue of 20% to RM560.4 million in the current year-to-date compared to RM465.9 million in the preceding year corresponding year-to-date. The increase in Group revenue of RM94.5 million was mainly contributed by the oil and gas subsidiary with an incremental revenue of RM65.9 million. This was followed by civil engineering and construction and manufacturing subsidiaries with incremental revenue of RM23.3 million and RM2.8 million, respectively. The remaining subsidiaries registered an increased revenue of RM2.5 million.

The Group's profit before taxation has improved to RM32.7 million as compared to the preceding year corresponding year-to-date of RM28.0 million. The improved result was due to stronger performances in the oil and gas and manufacturing subsidiaries with incremental profit before taxation of RM8.2 million and RM6.2 million, respectively. This was offset by lower profit before taxation of RM3.9 million and RM2.1 million in the mining associates and civil engineering and construction subsidiary, respectively. The remaining subsidiaries registered a lower profit before taxation of RM3.7 million.

The total comprehensive income attributable to shareholders for the financial year has increased by 75% to RM39.9 million as compared to RM22.8 million in the comparative quarter. Included in the results of the Group is a gain on disposal of a leasehold property amounting to RM3.5 million.

**2 Variation Of Results Against Preceding Quarter**

	<b>3 Months Ended</b>	
	<b>31/08/17</b>	<b>31/05/17</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	150,378	141,906
Profit before taxation	4,963	10,520

The Group registered a higher revenue of RM150.4 million for this quarter compared to a revenue of RM141.9 million for the preceding quarter. The increase in revenue quarter to quarter was mainly attributed to the increase in revenue of RM5.2 million in the civil engineering and construction subsidiary. This was followed by manufacturing and oil and gas subsidiaries with incremental revenue of RM1.6 million and RM0.5 million, respectively. The remaining subsidiaries registered an increased revenue of RM1.2 million.

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

Profit before taxation declined to RM5.0 million in the current quarter compared to RM10.5 million in the preceding quarter. The decrease in profit before taxation was mainly due to share of loss in mining associates' results of RM1.2 million compared to share of profits of RM2.5 million in the preceding quarter. The remaining subsidiaries registered a lower profit before taxation of RM1.8 million.

**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 but also the Group is 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.

WZS Misi Setia Sdn Bhd's ("MISI") 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. Year-to-date, MISI has secured additional works on top of existing contracts for RAPID projects.

The current order book of RM1.1 billion will ensure the Group is kept busy for the coming financial year and beyond.

The environmental issues of bauxite mining in Kuantan, Pahang, has resulted in a moratorium imposed by the Federal Government of Malaysia on bauxite mining in Kuantan effective since 15 January 2016. Further, the Federal Government introduced a complete ban on bauxite exports in the current quarter under review. Until the moratorium and exports ban are lifted, the prospects of mining segment remains uncertain and would continue to impact the Group's results.

**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>31/08/17</b>	<b>31/08/17</b>
	<b>RM'000</b>	<b>RM'000</b>
Current taxation	1,115	6,653
Movement in deferred taxation	274	423
Real property gains tax	165	165
	<u>1,554</u>	<u>7,241</u>

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

**6 Status Of Corporate Proposal**

- (a) The Company has on 10 February 2017, entered into a conditional share sale agreement ("SSA") with Tan Sri Kong Hon Kong and Kong Yew Foong ("Vendors") to acquire 500,000 ordinary shares in Cekap Semenanjung Sdn Bhd ("Cekap Semenanjung"), representing the entire ordinary equity interest in Cekap Semenanjung, for a total purchase consideration of RM30.0 million ("Purchase Consideration") ("Proposed Acquisition").

The Purchase Consideration will be satisfied entirely via the issuance of 29,411,764 new ordinary shares in the Company at an issue price of RM1.02 each ("Consideration Shares").

On 5 May 2017, the Company announced to Bursa Malaysia Securities Berhad ("Bursa Securities") on the Conditional Completion of the Proposed Acquisition. Following the Conditional Completion and in accordance with the terms of the SSA, the Vendors will have 6 months until 4 November 2017 to ensure that the Master En-Bloc Purchase Agreement ("MEBPA") becomes unconditional in accordance with its terms. Within 14 business days after the MEBPA Unconditional Date, the Company will allot and issue the Consideration Shares to the Vendors in exchange for the security deposit being returned by the Vendors to the Company.

On 5 October 2017, the Company announced the approval from Bursa Securities for an extension of time of 6 months until 12 April 2018 to implement the Proposed Acquisition.

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**6 Status Of Corporate Proposal (cont'd)**

- (b) On 22 August 2017, the Company ("WZ Satu") entered into a conditional share sale agreement ("SSA") for the proposed disposal of the entire issued share capital of Weng Zheng Trading Sdn Bhd ("WZ Trading"), a wholly-owned subsidiary of the Company, comprising 2,000,000 ordinary shares ("Sale Shares") to Tan Jing Xin ("Purchaser") for a cash consideration of RM22.8 million ("Proposed Disposal").

The Purchaser, a Malaysian aged 26, is a substantial shareholder of WZ Satu and the daughter of Tan Ching Kee, a former Senior Executive Director of WZ Satu who passed away on 27 February 2017.

The Proposed Disposal is conditional upon the approval of the shareholders of WZ Satu for the disposal of the Sale Shares in accordance with the terms and conditions of the SSA being obtained within 6 months from the date of the SSA, or such later date as WZ Satu may in its sole and absolute discretion agree upon.

The Proposed Disposal is subject to the approval of WZ Satu shareholders at an EGM to be convened and the relevant authorities/parites, if required. The Proposed Disposal is not conditional upon any other proposals undertaken or to be undertaken by the Company.

- (c) On 26 October 2017, the Board announced that WZ Satu proposes to undertake a bonus issue of up to 158,955,571 new ordinary shares in WZ Satu ("WZ Satu Shares") ("Bonus Shares") on the basis of one (1) bonus share for every three (3) existing WZ Satu Shares held on entitlement date to be determined later ("Proposed Bonus Issue").

The Proposed Bonus Issue is conditional upon approvals being obtained from the following:

- (i) Bursa Securities for listing and quotation of new shares and warrants arising from the Proposed Bonus Issue,
- (ii) the shareholders of WZ Satu at an extraordinary general meeting to be convened; and
- (iii) other relevant authorities/parties, if required.

For further information, kindly refer to the Company's announcements to Bursa Securities on the above-mentioned corporate exercises.

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**7 Borrowings And Debts Securities**

The Group's borrowings are as follows:-

	<b>As at</b>	
	<b>31/08/17</b>	<b>31/08/16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
<b><u>Secured</u></b>		
Finance lease liabilities	6,402	5,381
Floating rate bank loan	1,820	1,820
Bank overdrafts	-	37
Trade financing	17,024	27,457
<b><u>Unsecured</u></b>		
Bank overdrafts	14,265	11,932
Trade financing	65,236	33,687
	<b>104,747</b>	<b>80,314</b>
<b>Non-current</b>		
<b><u>Secured</u></b>		
Finance lease liabilities	16,663	13,303
Floating rate bank loan	916	2,596
	<b>17,579</b>	<b>15,899</b>
<b>Total</b>	<b>122,326</b>	<b>96,213</b>

**8 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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**9 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 WZS Misi Setia Sdn Bhd (a wholly-owned subsidiary of the Group) ("MISI") 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. MISI 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. MISI 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 MISI are of the view that MISI 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 MISI have jointly and severally and irrevocably undertaken to indemnify and keep MISI 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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**10 Dividend**

The Board of Directors of WZ Satu is pleased to propose a final dividend of 2.0 sen per ordinary share each in respect of the current financial year to be approved by shareholders of WZ Satu at the forthcoming Annual General Meeting to be held on a date to be determined later.

**11 Retained Earnings**

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

	<b>As at</b>	<b>As at</b>
	<b>31/08/17</b>	<b>31/08/16</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	117,821	76,812
- Unrealised	(699)	(2,114)
	<u>117,122</u>	<u>74,698</u>
Associates		
- Realised	26,006	29,043
- Unrealised	(889)	(888)
	<u>25,117</u>	<u>28,155</u>
Less: Consolidation eliminations	(61,211)	(37,395)
Total retained earnings of the Group	<u>81,028</u>	<u>65,458</u>

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**12 Earnings Per Share**

	<b>3 Months Ended</b>	<b>12 Months Ended</b>
	<b>31/08/17</b>	<b>31/08/17</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Basic</u>		
Profit attributable to owners of the Company	3,485	25,345
Weighted average number of ordinary shares for basic earnings per share ('000)	348,874	347,502
Earnings per ordinary share (sen)	1.00	7.29
<u>Diluted</u>		
Profit attributable to owners of the Company	3,485	25,345
Weighted average number of ordinary shares for basic earnings per share ('000)	348,874	347,502
Effect of dilution due to warrants ('000)	54,571	55,726
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	403,445	403,228
Earnings per ordinary share (sen)	0.86	6.29

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

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