



WENG ZHENG

WENG ZHENG RESOURCES BERHAD

(666098-X)

(Incorporated in Malaysia under the Companies Act, 1965)



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Lot 1890, Jalan KPB 9
Kawasan Perindustrian Balakong,
43300 Seri Kembangan,
Selangor Darul Ehsan
Tel No: 03-8962 2228
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E-mail: wzsb@wengzheng.com
Website: www.wengzheng.com

WENG ZHENG RESOURCES BERHAD (666098-X)

ANNUAL REPORT 2008



**The Highest Standards Of Precision
And Excellence In The Steel Industry**

ANNUAL REPORT
2008

VISION

- o The Group: aspires to be a LEADING and PREFERRED manufacturer of precision CD bright steel polished shafts in the Asia Pacific region; and

MISSION

- o To continuously comply with strict requirements of producing quality products
- o To learn and apply the latest technology or development strategy to enhance the quality of its products
- o To be committed in providing excellent service and quality products
- o To instil superior and positive company value through overall excellence and dedication amongst the employees

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Board Of Directors

Dato' Amin Rafie Bin Othman	Group Chairman / Independent Non-Executive Director
Tan Ching Kee	Managing Director
Ng Chong Tin	Executive Director
Tan Chong Boon	Executive Director
Dato' Siow Kim Lun	Independent Non-Executive Director
Dato' Yeong Kok Hee	Independent Non-Executive Director
Ong Teck Chuan	Independent Non-Executive Director

Audit Committee

Chairman

Dato' Siow Kim Lun

Member

Ong Teck Chuan
Dato' Yeong Kok Hee

Registered Office

Suite 13.03, 13th Floor,
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel No: 03-2164 0206
Fax No: 03-2164 0207

Principal Bankers

Hong Leong Bank Berhad
(97141-X)
Level 1, Wisma Hong Leong
18, Jalan Perak
50450 Kuala Lumpur
Tel No: 03- 2164 2828

Remuneration Committee

Chairman

Dato' Amin Rafie Bin Othman

Member

Dato' Yeong Kok Hee
Tan Ching Kee

Head Office

Lot 1890, Jalan KPB 9
Kawasan Perindustrian Balakong,
43300 Seri Kembangan,
Selangor Darul Ehsan
Tel No: 03-8962 2228
Fax No: 03-8962 2226
E-mail: wzb@wengzheng.com
Website: www.wengzheng.com

Citibank Berhad (297089-M)
Menara Citibank
165, Jalan Ampang
50450 Kuala Lumpur
Tel No: 03-2383 1111

United Overseas Bank (Malaysia) Berhad (271809-K)
Bangunan UOB Medan Pasar
10-12, Medan Pasar
50744 Kuala Lumpur
Tel No: 03-2772 8000

Nomination Committee

Chairman

Ong Teck Chuan

Member

Dato' Amin Rafie Bin Othman
Dato' Siow Kim Lun

Share Registrar

Epsilon Registration Services Sdn Bhd
(629261-T)
Level 17, The Garden North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No: 03-2264 3883
Fax No: 03-2282 1886

Standard Chartered Bank (Malaysia) Berhad (115793-P)
Level 16 Menara Standard
Chartered
30 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No: 03-2781 7330

Company Secretaries

Tan Leh Kiah (MAICSA 0719692)
Pan Mi Keay (MAICSA 7013317)

Suite 13.03, 13th Floor,
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel No: 03-2164 0206
Fax No: 03-2164 0207

Auditors

Anuarul Azizan Chew & Co.
(AF 0791)
18, Jalan 1/64
Off Jalan Kolam Air/Jalan Ipoh
51200 Kuala Lumpur
Tel No: 03-4048 2888

Stock Exchange Listing

Second Board
Bursa Malaysia Securities Berhad
Stock Name : WZRB
Stock Code : 7245

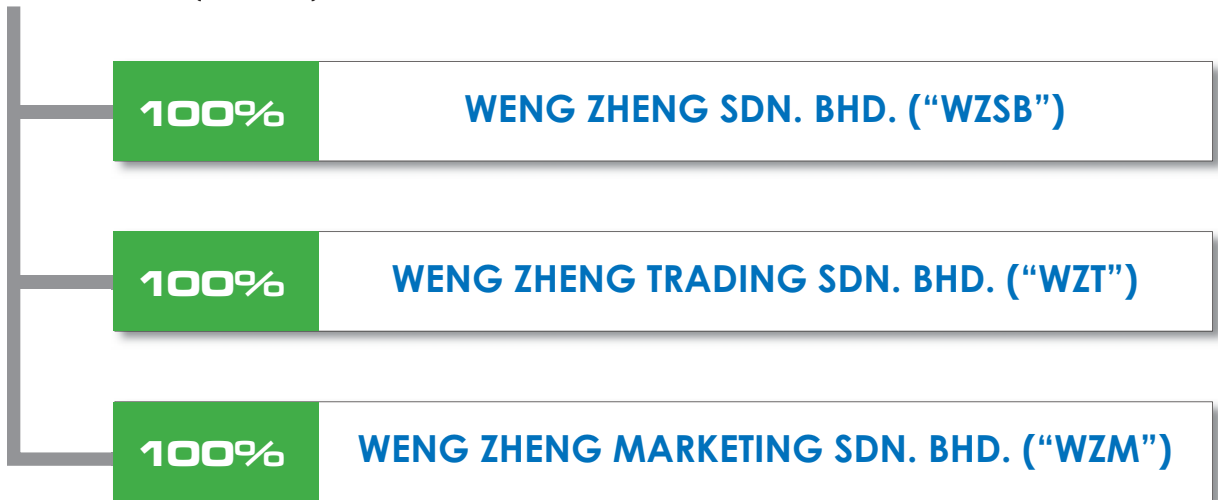


Corporate Structure



WENG ZHENG

WENG ZHENG RESOURCES BERHAD ("WZRB")
(666098-X)





Board of Directors

DATO' AMIN RAFIE BIN OTHMAN

Chairman and Independent Non-Executive Director

Dato' Amin Rafie Bin Othman, a Malaysian, aged 48, was appointed to the Board on 26 October 2007. He is the Chairman of the Remuneration Committee and a member of Nomination Committee. He graduated from the University College of Wales, Aberystwyth with a joint honours degree in Economics and International Politics in 1982. He also holds a Master of Business Administration from the City University of London, United Kingdom ("UK").

Dato' Amin is currently a director of Milux Corporation Berhad (formerly known as TH Hin Corporation Berhad), as well as the MD of DIG Asia Sdn Bhd, a wholly owned subsidiary of Dubai Investment Group of the United Arab Emirates. Prior to this appointment, he was the Chief Executive Officer ("CEO") of Rio Capital Sdn Bhd. In a career spanning 22 years, Dato' Amin has also held the positions of CEO of Mayban Investment Sdn Bhd, MD of PJB Capital Sdn Bhd, Executive Director of Smith Zain Securities, Senior General Manager and Director of Rashid Hussain Asset Management and General Manager of Mattra Berhad. He was also a past President of the Malaysian Association of Asset Managers and a member of the Listing Committee of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

MR. TAN CHING KEE

Managing Director

Mr. Tan Ching Kee, a Malaysian, aged 49, was appointed to the Board on 26 October 2007. He is a member of the Remuneration Committee. Mr. Tan commenced his career in the iron and steel industry in 1978 when he joined Wei Yet Sdn Bhd, a company involved in the marketing and trading of steel.

In May 1985, Mr. Tan started his own steel company, Syarikat Perniagaan Eng Seng, together with other partners before forming WZSB in 1992. Mr. Tan was instrumental in the setting up of the WZSB's iron and steel trading business.

With his keen foresight in the continuous potential of the steel industry, Mr. Tan launched the company into downstream value-added production of CD bright steel polished shafts to service the engineering support industry, which was then a rapidly growing industry mainly driven by the E&E industry, especially the semiconductor sector. From this point in time, Mr. Tan began to develop the business through progressively building customers' trust to expand the company's business despite initial limited production capacity and a challenging business environment.

In 1996, Mr. Tan formed WZT to trade in other steel products which are primarily procured from wholesale steel traders, as well as to complement the manufacturing activities of WZSB. By 2001, with the completion of the existing manufacturing facilities in Lot 1850, Jalan KPB 10, Kawasan Perindustrian Balakong, 43300 Sri Kembangan, Selangor Darul Ehsan coupled with a well-established customer network, Mr. Tan had successfully carved a niche market for WZSB's superior quality and high precision bright steel polished shafts.

Mr. Tan has accumulated 30 years of extensive knowledge and experience in the steel trading business, with an overlap of 12 years having been involved in the daily operations and management of CD bright steel polished shafts production. As the MD of the WZRB Group, he is responsible for the overall strategic business direction of the Group, developing new target markets locally and abroad. His vast experience in the industry and well-connected network with industry players has enabled him to be well-versed with the intricacies of the steel trade and to develop the Group to its present stage.

He is the brother of Mr. Tan Chong Boon, the Executive Director of the Company.

MR. NG CHONG TIN

Executive Director

Mr. Ng Chong Tin, a Malaysian, aged 43, was appointed to the Board on 26 October 2007. He embarked on his career in the steel industry when he joined Mr. Tan Ching Kee and two (2) other partners to incorporate Syarikat Perniagaan Eng Seng, a steel trading company in 1985.

Mr. Ng later co-founded WZSB in 1992 and became a Director of WZM and WZT in 1995 and 1996, respectively, where he continued to develop the steel trading business as Marketing Manager. To-date, Mr. Ng has 24 years of experience in the development of sales and marketing strategies based on customers' feedback as well as analysing the changing consumer trends. Mr. Ng is primarily in charge of the sales and marketing functions of WZM and WZT, and is instrumental in developing the customer network for the Group's trading division. His vast experience in the steel industry has enabled him to proactively develop sales and marketing strategies to cater to the customers' needs and meet the ever-changing industry trends.



Board of Directors (cont'd)

MR. TAN CHONG BOON

Executive Director

Mr. Tan Chong Boon, a Malaysian, aged 42, was appointed to the Board on 26 October 2007. He has vast experience in the areas of design and build and construction contracts for civil and structural works which were accumulated over more than three (3) years. In 1988, Mr. Tan commenced his career as a Technical Assistant. To upgrade himself, Mr. Tan embarked on and pursued an Honours Degree in Civil Engineering at University Putra Malaysia in 1989. Upon successfully obtaining the Degree in 1991, he joined a civil and structural consulting company as Design Engineer before joining WZRB Group in 1994. He was instrumental in the launch of WZSB's products into the international area, particularly the China, Hong Kong and Australia markets.

His vast experience gained in the areas of design, build and construction contracts for civil and structural works have enabled him to successfully set up WZSB's factory to produce CD bright polished shafts in 1995. In 1996, WZSB began manufacturing free-cutting polished shafts and stainless steel polished shafts before venturing into high-end free-cutting polished shafts for OA, which demand very stringent requirements. Since 1996, Mr. Tan had successfully adopted the correct manufacturing techniques and leveraged upon the technical know-how gained through in-depth discussions held with the WZSB's customers in order to understand and meet customers' needs.

He is the brother of Mr. Tan Ching Kee, the Managing Director of the Company.

DATO' SIOW KIM LUN

Independent Non-Executive Director

Dato' Siow Kim Lun, a Malaysian, aged 58, was appointed to the Board on 26 October 2007. He is the Chairman of the Audit Committee and a member of Nomination committee. He holds a Bachelor degree in Economics (Honours) from Universiti Kebangsaan Malaysia and a Master degree in Business Administration from the Catholic University of Leuven, Belgium. He also attended the Advanced Management Program in Harvard Business School, United States of America.

Dato' Siow started his career in investment banking with Malaysia International Merchant Bankers in 1981 and had served as a Manager in its Corporate Finance Division. In 1985, he moved on to join Permata Chartered Merchant Bank Bhd (now known as Affin Investment Bank) as Manager of Corporate Finance. He later became the Divisional Head of its Corporate Finance division.

In April 1993, Dato' Siow joined the Securities Commission where he had served for over 13 years until his retirement in December 2006. During his tenure with the SC, Dato' Siow had held several senior positions including that of the Director of its Issues & Investment Division, the Director of the Market Supervision Division as well as the Executive Director, Office of the SC Chairman.

Dato' Siow is currently a Director of Citibank Malaysia Bhd and Kumpulan Wang Persaraan. He is also a member of the Listing Committee of Bursa Malaysia Securities Berhad.



Board of Directors (cont'd)

DATO' YEONG KOK HEE

Independent Non-Executive Director

Dato' Yeong Kok Hee, a Malaysian, aged 48, was appointed to the Board on 26 October 2007. He is the member of Audit Committee and Remuneration Committee. Upon returning from England in 1983, he commenced his sales and marketing management career firstly in the credit cards business and subsequently, ventured into the fast moving consumer goods ("FMCG") sector, as well as the electronics and computer equipment services industries. Dato' Yeong is well-recognised and respected not only in the information technology ("IT") arena, but also in the financial services and corporate sector.

Dato' Yeong is currently the consultant and Vice President of Computer System Advisers (M) Sdn Bhd, a position that he has held since 1999. He is an active member of the Executive and Management Review Committee of the Maybank and Computer Sciences Corporation/Computer Systems Advisers, a ten (10)-year term IT sourcing engagement since 2003.

At the international level, Dato' Yeong is an Executive Advisor and member of the Advisory Board of EZMCOM Inc. USA, a company that specialises in IT security solutions, especially in respect of authentication for online systems and mobile commerce platforms for the financial and enterprise sector.

With his vast experience and extensive business network, Dato' Yeong will contribute significantly to the WZRB Group in formulating future directions and development plans.

MR. ONG TECK CHUAN

Independent Non-Executive Director

Mr. Ong Teck Chuan, a Malaysian, aged 52, was appointed to the Board of WZRB on 26 October 2007. He is the Chairman of Nomination Committee and a member of the Audit Committee. He is a Fellow of the Certified Practising Accountants of Australia, and a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia. He also holds a Bachelor of Business degree from Edith Cowan University, Australia.

Mr. Ong has 30 years of working experience in corporate finance, financial management, operational management, merchant banking and auditing. He has served in a number of senior management positions in various public listed companies and large organizations involved in diverse industries ranging from telecommunications, satellite broadcasting, leisure & entertainment, power generation, toll highway operations, infrastructure development, resource-based, property development, merchant banking and auditing. He is currently a business consultant providing business management and financial consultancy related services.



ADDITIONAL INFORMATION ON DIRECTORS

Conflict of interest

None of the Directors of the Company has any conflicts of interest with the Company.

Convictions for offences (within past 10 years, other than traffic offences)

None of the Directors have any convictions for offences other than traffic offences

Securities held in the Company and its subsidiaries

The details are disclosed in the Directors' Report on pages 24 of this Annual Report.

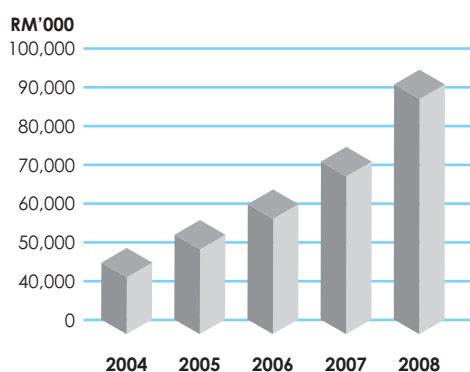
Financial Highlights

PROFORMA CONSOLIDATED INCOME STATEMENTS

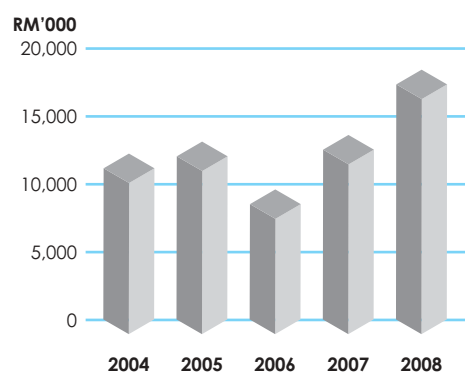
The following table sets out a summary of the proforma consolidated results of our Group for the past five (5) FYE 30 APRIL 2004 to 30 APRIL 2008, prepared on the assumption that our Group has been existence throughout the years under review and for illustrative purpose only.

	2004	2005	2006	2007	2008
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	49,516	57,475	63,097	74,422	93,239
GP	13,109	13,872	9,790	13,980	16,972
EBITDA	4,867	11,937	9,318	11,752	14,648
Depreciation and amortisation	(1,044)	(1,731)	(1,983)	(2,166)	(2,549)
Finance costs	(895)	(1,550)	(1,764)	(2,091)	(2,356)
PBT	2,928	8,656	5,571	7,495	9,743
Taxation	(572)	(2,413)	(1,217)	(1,631)	(1,471)
Profit After Tax	2,356	6,243	4,354	5,864	8,272
Number of WZRB Shares in issue ('000)	77,617	77,617	77,617	77,617	100,000
GP margin (%)	26.47%	24.14%	15.52%	18.78%	18.20%
PAT margin (%)	4.76%	10.86%	6.90%	7.88%	8.87%
Gross EPS (Sen)	3.77	11.15	7.18	9.66	9.74
Net EPS (Sen)	3.04	8.04	5.61	7.56	8.27

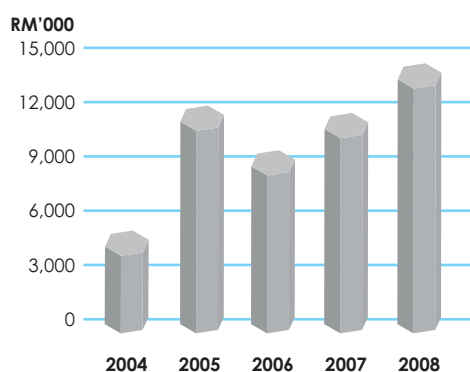
REVENUE



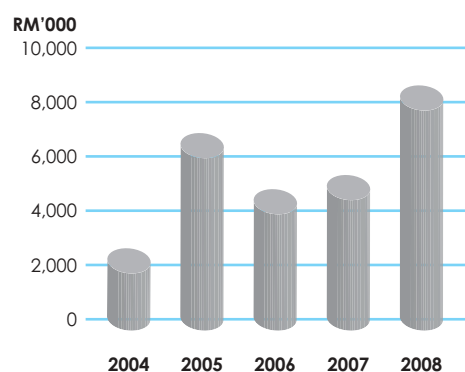
GP



EBITDA



PAT



Chairman's Statement

Dear shareholders,

On behalf of the Board of Directors and the management of WZRB, I am pleased to present the Inaugural Annual Report of the Company for the financial year ended 30th April 2008.

The Company was listed on the second Board of Bursa Malaysia on the 2 January 2008. We are proud to be the first Company to be listed on Bursa Malaysia for the year 2008. This marks the beginning of a new chapter in the life of the company which was founded in 1992.



The listing of Weng Zheng Resources Berhad on Bursa Malaysia Securities Berhad took place on 2 January 2008 and the listing ceremony was witnessed by the company's directors.

Financial Performance

For the year ended 30 April 2008, the Company achieved revenue of RM55.66 million and profit after tax of RM8.27m. The profit achieved exceeded our profit forecast of RM7.81 million as per our listing prospectus issued on 10 December 2007 by 6%. The improved performance was mainly due to stronger sales and increased production capacity in the last quarter of our financial year. We are committed to growing the profitability of the company and enhancing shareholder value.

Dividend

Subject to shareholders approval the Board of Directors is recommending a final dividend of 1.5sen per share less 25% of tax amounting to RM1,125,000 in respect of the financial year ended 30 April 2008. The proposed dividend is in line with the dividend policy as disclosed in our listing prospectus issued on the 10 December 2007. The Company aims to maintain an appropriate balance between enhancing shareholders return and retaining adequate funds for expansion.



Chairman's Statement (cont'd)



Operational Review

Manufacturing Division

It was a difficult operating environment for our manufacturing division as there was a worldwide shortage of steel. This resulted in raw material prices being increased by approximately 50% over the year. However the division performed very well by increasing its tonnage sold to 14,000MT as compared to 11,000MT the previous year. We have also successfully penetrated several overseas markets and have doubled our exports to RM7.9m from RM3.9m last financial year.

Trading Division

The trading division also recorded better performances as compared with the previous year. We have managed to win over new clients with our efficiency and costing and have started trading in new product lines which will be enhanced in the coming months.

Prospects going ahead

The Global economic outlook for the remainder of 2008 and for most of 2009 will be challenging at best. Whilst we expect steel prices to stabilize the expected economic slowdown may also adversely impact demand for our end products. Notwithstanding this the Company is committed to grow its business by expanding its production and storage capacity in the new financial year. We continuously strive to be more competitive and efficient and are also actively pursuing opportunities for growth by acquisition if the right target becomes available at the right price. We are also adding new items to our product list and are actively engaged in research and development with our clients to further improve on the quality of our products and services.



Corporate Social Responsibility

As a public listed entity and responsible corporate citizen, WZRB actively contributes to the community it operates in. We are looking to increase our efforts in this area and look forward to being a responsible and constructive force for our community.

Appreciation

On behalf of the Board of Directors, I would like to express our sincere appreciation and thanks to all our employees for their dedication and commitment in contributing towards the performance of the Company. I would also like to thank everyone that contributed to the successful listing of the Company and to our shareholders, new and old alike, I wish to express my sincere appreciation for your trust and look forward to your continued support.

I would like finally to acknowledge with sincere gratitude the invaluable support and advice given to me by my fellow Board members over the course of the year.

Dato' Amin Rafie Bin Othman
GROUP CHAIRMAN

Corporate Governance Statement

The Board is fully committed to maintaining high standards of corporate governance practices throughout the Group. To this end, it has adopted a set of Corporate Governance Guidelines to govern its conduct within the spirit of the Malaysian Code on Corporate Governance ("Code") and the Listing Requirements of Bursa Securities.

1. THE BOARD

The Board is responsible, amongst others, for charting and communicating strategic direction and corporate values of the Group, and supervising its affairs to ensure its success within a framework of acceptable risks and effective control and in compliance with the relevant laws, regulations, guidelines and directives in the territories in which it operates. The Board reviews management performance and ensures that the necessary financial and human resources are available to meet the Group's objectives.

1.1 Composition and Balance

As at 30 April 2008, your Board comprised four Non-Executive Directors including the Chairman, and three Executive Director. All of the four Non-Executive Directors are independent, which is higher than the minimum prescribed in the Code and the Listing Requirements.

The roles of the Non-Executive Chairman and the Managing Director are separate, with a clear division of their responsibilities to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has overall responsibilities over the operating units, organizational effectiveness and implementation of Board policies and decisions.

The independent Directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board Committees and their attendance of meetings as detailed below. The independent Directors provide unbiased views and impartiality to the Board's deliberation and decision-making process. In addition, the Non-Executive Directors ensure that matters and issues brought up to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group. The profiles of the members of the Board, as set out on Pages 4 to 6 of this Annual Report, demonstrates the complement of skills and experiences that the Directors are able to bring to bear on issues of strategy, performance, control, resource allocation and integrity.

1.2 Appointments to the Board

In compliance with the Code, the Nomination Committee has the responsibility of proposing new candidates for appointment to the Board. All newly appointed Directors are subject to re-election by the shareholders at the next Annual General Meeting in accordance with the Company's Articles of Association. Re-appointments are not automatic and all Directors must retire and submit themselves for re-election by shareholders at least once in every three years. The Articles also provide that at least one-third (1/3), or the number nearest one-third (1/3) of the remaining directors including Managing Director shall retire from office and be eligible for re-election at each Annual General Meeting provided that all Directors shall retire from office at least once in every three years but shall be eligible for re-election.

Pursuant to the Listing Requirements, each member of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the Group to enable them to discharge their duties effectively.

1.3 Training

The Board fully supports the need for its members to further enhance their skills and knowledge on relevant new laws and regulations and changing commercial risks to keep abreast with the developments in the economy, industry and technology, among others. All the Directors have attended the Mandatory Accreditation Programme organized by Bursa Malaysia Securities Berhad earlier or during the financial year.

An appropriate budget will be in place for Directors' training going forward, and the Directors will continue to attend training programmes and seminars to enhance their skills and knowledge and to keep abreast on various issues pertaining to the business environment within which the Group operates, particularly in the areas of corporate governance and regulatory compliances.

Corporate Governance Statement (cont'd)

1.4 Supply of Information and Board Meetings

The Board has full and unrestricted access to all information pertaining to the businesses and affairs from Senior Management as well services of the Company Secretary to enable them to discharge their duties effectively. The Board may also seek external independent professional advice at the Group's expense.

The Board meets at least every quarter and on other occasions, as and when necessary, to inter-alia approve quarterly results, the Annual Report, business plans and budgets as well as to review the performance of the Group, operating subsidiaries and other business development activities. Senior Management and external advisors are invited to attend the Board and Board Committee meetings to advise on relevant agenda items to enable the Board and its Committees to arrive at a considered decision. Prior to Board or Board Committee meetings, the Directors receive a set of board papers to ensure that they have the necessary information on the agenda items to be discussed.

Minutes of every Board meeting are circulated to all Directors for their perusal prior to confirmation, and Directors may require clarification or raise comments on the minutes prior to the confirmation of the minutes.

The attendance record of individual Directors at Board and Board Committee meetings for the financial year ended 30 April 2008 is detailed below:

TABLE Name	Number of meetings during the financial year			
	Board Meetings	Audit	Nomination	Remuneration
Dato' Amin Rafie Bin Othman	4/4		1/1	1/1
Tan Ching Kee	4/4			1/1
Ng Chong Tin	4/4			
Tan Chong Boon	4/4			
Dato' Siow Kim Lun	4/4	3/3	1/1	
Dato' Yeong Kok Hee	4/4	3/3		1/1
Ong Teck Chuan	4/4	3/3	1/1	

1.5 Board Committees

To ensure the effective discharge of its fiduciary duties, the Board has delegated specific responsibilities to the following three Board Committees. The Board Committees will deliberate in greater detail and examine the issues within their terms of reference as set out by the Board in compliance with the Code.

Audit Committee

Composition of the Audit Committee, its terms of reference and a summary of its activities are set out on Pages 17 to 19 of this Annual Report.

Nomination Committee

This Committee is primarily responsible for proposing and recommending new nominees to the Board, and assessing the effectiveness of the Board on an ongoing basis. The final decision on the appointment of new members to the Board lies with the entire Board.

Members of the Nomination Committee, all of whom are independent Non-Executive Directors, are:

- Ong Teck Chuan (Chairman)
- Dato' Amin Rafie Bin Othman
- Dato' Siow Kim Lun

Corporate Governance Statement (cont'd)

Remuneration Committee

This Committee is primarily responsible for reviewing and recommending the appropriate level of remuneration for the Non-Executive Directors and the Executive Director. Members of the Remuneration Committee, two of whom are independent Non-Executive Directors, are:

- Dato' Amin Rafie Bin Othman (Chairman)
- Dato' Yeong Kok Hee
- Tan Ching Kee

1.6 Directors' Remuneration

The Board believes that remuneration should be sufficient to attract, retain and motivate Directors of the necessary caliber, expertise and experience to lead the Group. In line with this philosophy, remuneration for the Executive Directors is aligned to individual and corporate performance. For Non-Executive Directors the fees commensurate with the level of experience and responsibilities shouldered by the respective Directors.

The Remuneration Committee recommends the policy framework and is responsible for assessing the compensation package for the Executive Directors. The remuneration of the Executive Director consists of salary, bonus, and benefits-in-kind.

Remuneration for Non-Executive Directors is determined by the Board as a whole. Individual directors do not participate in determining their own remuneration package. The Board, subject to a maximum sum as authorized by the Company's shareholders, determines fees payable to Non-Executive Directors. Non-Executive Directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors. Details of the Directors' remuneration for the financial year ended 30 April 2008 are as follows:

Remuneration	Amount (RM) Executive	Amount (RM) Non-Executive
Fees	-	65,000
Salary, other remuneration and emoluments	428,434	23,000
Benefits-in-kind (based on an estimated Monetary value)	24,474	

The aggregate remuneration paid to Directors by the Company during the year, analysed into bands of RM50,000 are as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Up to RM50,000	-	4
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	1	-
RM250,000 to RM300,000	1	-

Corporate Governance Statement (cont'd)

2. SHAREHOLDERS AND INVESTORS

2.1 Communication with Shareholders and Investor Relations

The Board is committed to providing investors accurate, useful and timely information about the Group, its businesses and its activities. The Group regularly communicates with the investor community in conformity with disclosure requirements. The Board believes that clear and consistent communication with investors encourages a better appreciation of the Company's business and activities, reduces share price volatility, and allows the Company's business and prospects to be evaluated properly.

Pertinent information on the Group is also available on the Company's website at www.wengzheng.com. The Group maintains strict confidentiality and employs best efforts to ensure that no disclosure of material information is made on a selective basis to any individuals unless such information has previously been fully disclosed and announced to the relevant regulatory authorities.

The Board views the AGM as the primary forum to communicate with shareholders. The Company will convene its First AGM on 17 October 2008 during which shareholders will have the opportunity to direct their questions to the Board. The Board encourages other channels of communication with shareholders. For this purpose, the Board has identified Dato' Siow Kim Lun as the Senior Independent Director to whom queries or concerns regarding the Group may be conveyed. Dato' Siow can be contacted via the following channels:

Post : Lot 1890 Jalan KPB 9, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan

Fax : 603-89622226

E-mail : kimlun22@gmail.com

Investors may also direct their queries to: sssak@wengzheng.com

3. ACCOUNTABILITY AND AUDIT

3.1 Financial Reporting

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and annual financial statements to its shareholders.

The Board is responsible for ensuring that the financial statements give a true and fair view of the results of operations and the financial state of affairs of the Group.

The financial statements of the Group and Company are required to be prepared in compliance with International Financial Reporting Standards.

3.2 Internal Control

The Statement on Internal Control provides an overview of the state of internal controls within the Group and is set out on Page 16 of this Annual Report.

3.3 Relationship with the Auditors

The Audit Committee's role with respect to internal and external auditors is described in the Audit Committee Report set out on Pages 17 to 19 of this Annual Report.

Additional Compliance Information

Utilisation of proceeds

In conjunction with the Initial Public Offering exercise, the Company was listed on the second Board of Bursa Securities Berhad on 02 January 2008.

The gross proceeds received from the Initial Public Offering of RM15.221 million up to 30 April 2008 were utilised as follows:-

	Proposed Utilisation	Amount Utilised	Balance Unutilised	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Capital Expenditure	4,500	-	4,500	Financial year Ending 2009
Repayment of Bank Borrowings	5,000	5,000	-	
Working Capital	3,421	3,924	(503)*	
Listing Expenses	2,300	1,797	503*	
	15,221	10,218	4,500	

* The actual listing expenses were lower than the estimated listing expenses by RM503,000 and the said amount was subsequently utilised as working capital by the Group.

Share buybacks

During the financial year there was no share buyback scheme.

Options, warrant or convertible securities

During the financial year, the Company did not issue any options, warrants or convertible securities.

American Depository Receipts ("ADR") or Global Depository Receipts ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year under review.

Imposition of Sanctions and /or Penalties

There were no material sanctions and /or penalties imposed on the Company, its subsidiaries, Directors or management by any regulatory bodies during the financial year under review.

Non-Audit Fees

During the financial year, the amount of non-audit fees paid by the Company to the External Auditors amounted to RM138,475 in respect of fees for work done in connection with the issue of the Accountants' Report for inclusion in the Company's Prospectus dated 10 December 2007.

Additional Compliance Information (cont'd)

Variation in Results

There was no variation between the audited results for the financial year ended 30 April 2008 against the unaudited results for the year ended 30 April 2008 released by the Company previously. The group recorded profit after taxation of RM8.272 million higher by RM0.446 or 6% as compared with forecasted result of RM7.811 million (based on the Prospectus issued by the Company on 10 December 2007).

Profit Guarantee

The Company did not provide any profit guarantee during the financial year.

Material Contracts

There were no material contracts entered into by the Group and Company involving directors and major shareholders during the financial year.

Revaluation Policy on Landed Properties

The Company has adopted a policy of revaluation on its landed properties once every five (5) years.

Internal Control Statement

Introduction

The Statement on Internal Control of the Group is made by the Board of Directors ("the Board") pursuant to the Listing Requirements of Bursa Securities and in regard to the Group's compliance with The Principles and Best Practices provisions relating to internal controls provided in the Malaysian Code on Corporate Governance.

Board's Responsibility

The Board acknowledges its responsibility for maintaining a sound system of internal control and for ensuring the system's adequacy and integrity. However, such a system is designed to manage the Group's risks within an acceptable risk profile rather than eliminate the risk of failure to achieve the policies and business objectives of the Group. Accordingly, this system can only provide reasonable but not absolute assurance against material misstatement, fraud or losses.

Risk Management

The Board recognizes that risk management is a vital and integral part of the business operations. The Management is responsible for the identification and evaluation, on a continuous basis, of significant risks inherent to the business. Risks identified are brought to the attention of the Board at their scheduled meetings.

The present process of identifying and addressing risk is conducted informally by the Management. Ongoing initiatives will be taken to ensure that the Group has an approved formalized ongoing process in place to measure and manage the significant risks affecting the achievement of its business objectives.

Internal Audit Function

The internal audit function is being undertaken by an external consultant approved by the Board and who reports directly to the Audit Committee. The internal auditor adopts a risk based approach and prepares the annual audit plan based on the risk profiles of the principal risks identified by Management to be approved by the Audit Committee and shall carries out audit engagement in unscheduled areas upon request by the Committee.

The Audit Committee meets quarterly to review the internal audit findings and discuss the corrective action plans to ensure that the control weaknesses highlighted in the internal audit report are appropriately addressed by Management.

Key Elements of Internal Control

In addition to the establishment of the internal audit function, the Group has used various controls to review the adequacy, effectiveness and integrity of the system of internal controls. Such controls include:

- Establishment of various Board Committees specifically the Audit Committee, the Nomination Committee and the Remuneration Committee
- Documentation of written policies and procedures for operational guidance and compliance
- The implementation of a centralized computerized enterprise resource planning system to provide up-to-date data and information for decision making as well as enabling periodic performance reports to be prepared for monitoring and reporting purposes
- Compliant with ISO 9001:2000 standards for quality control and assurance

Review of Effectiveness

The Board and Management maintain an ongoing commitment and continue to take appropriate measures to strengthen the internal control system taking into account the changes in the internal and external environment of the Group so as to safeguard shareholders' investment and the Group's assets.

Key activities that the Directors have established in reviewing the adequacy and integrity of the system of internal control are as follows:

- Monthly review of Group management accounts by senior management
- Quarterly review of financial results by AC and Board
- Conducting internal audit on certain key risk areas

For the financial year under review, there were no material losses incurred as a result of any weaknesses in internal control.

This statement was made in accordance with a resolution of the Board of Directors passed on 6 August 2008.

Audit Committee Report

1.0 AUDIT COMMITTEE MEMBERS AND MEETINGS

The Audit Committee was established on 6 November 2007 and the members of the Audit Committee, all of whom are independent non-executive directors are:

Dato' Siow Kim Lun – Chairman
Ong Teck Chuan
Dato' Yeong Kok Hee

The Committee meets at least four (4) times in each financial year. At least two (2) members must be present to constitute a quorum. The Company Secretary shall be the Secretary of the Committee.

The Committee shall regulate its own procedures, in particular on the calling of meetings, notice to be given for such meetings, the voting and proceedings of such meetings, the keeping of minutes and the custody, production and inspection of such minutes. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee.

During the financial year, in which the Company was listed and quoted on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 2 January 2008, the Committee conducted three (3) meetings which were attended by all members. Certain designated members of senior management also attended all the meetings on invitation of the Committee. The Committee also met with the external auditors of the subsidiary companies and the internal auditor of the Company once each on separate private sessions during the financial year.

2.0 TERMS OF REFERENCE

The Committee assists the Board in fulfilling its responsibilities with respect to its oversight responsibilities. The Committee reviews and monitors the integrity of the Group's financial reporting process, its management of risk and system of internal control, its audit process as well as compliance with legal and regulatory matters, its own code of business conduct, and such other matters that may be specifically delegated to the Committee by the Board from time to time.

2.1 Composition of the Audit Committee

Members of AC shall be appointed by the Board from amongst the Directors and the Committee shall fulfill the following requirements:-

- (a) Membership shall consist of no fewer than three (3) members;
- (b) all the members shall be independent directors;
- (c) At least one (1) member of the AC must be :-
 - i) a member of the Malaysian Institute of Accountants ("MIA"); or
 - ii) if not a member of the MIA, must have at least three (3) years working experience, and either have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii) holds a degree / masters / doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance; or has at least seven (7) years' experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation;
- (d) shall not comprise of any alternate director of the Company.

Members of the Committee are appointed by the Board on recommendation of the Nomination Committee. Each member of the Committee may serve for a period of up to three years, extendable by additional three-year periods, so long as the members continue to be independent.

The members of the AC shall elect the Chairman, and all the members of the Committee including the Chairman, shall hold office as long as they serve as Directors of the Company. The appointment of a Committee Member shall terminate when the Member ceases to be a Director of the Company.

In the event of any vacancy in the Committee, the vacancy shall be filled within three (3) months upon the review and recommendation of a suitable Director by the Nomination Committee and approved by the Board.

Audit Committee Report (cont'd)

2.2 Duties and Responsibilities of the Audit Committee

The Committee shall, amongst others, discharge the following functions:-

- (a) Internal Audit
 - Review and monitor the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of the members of the internal audit function;
 - Approve any appointment or termination of the senior members of the internal audit function; and
 - Take cognizance of any resignation of internal audit staff member and to provide the resigning staff an opportunity to submit his/her reasons for resigning.
- (b) External Audit
 - Assess the qualification, expertise, resources and effectiveness of the external auditors, including their performance and objectivity, and the terms of engagement and remuneration;
 - Review the external auditors' audit program and plan, including any changes to the planned scope of the audit plan;
 - Review the external auditors' evaluation of the system of internal controls, their audit reports and major audit issues raised by the external auditors with management;
 - Review the assistance given by Group's employees to the external auditors;
 - Review the nature and extend of external auditors' provision of non-audit services;
 - Consider any questions of resignation or dismissal of the external auditors.
- (c) Financial Reporting
 - Review the quarterly and annual financial statements prior to approval of the Board of Directors, focusing particularly on:-
 - i) changes in or implementation of major accounting policy;
 - ii) significant and unusual events; and
 - iii) compliance with applicable Financial Reporting Standards and other legal and regulatory requirements.
 - Review of matters relating to the accounting, auditing, financial reporting practices and procedures of the Group.
- (d) Related Party Transactions

Review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management's integrity

2.3 Authority of the Audit Committee

In discharging its function, the Committee is duly authorized by the Board to:

- i. have authority to investigate any matter of the Group within its terms of reference;
- ii. have the resources which are required to perform its duties;
- iii. have full and unrestricted access to any information pertaining to the Company and the Group;
- iv. be able obtain independent professional or other advice;
- v. have direct communication channels with external auditors and person(s) carrying out the internal audit function or activity;
- vi. be able to convene meetings with the external auditors, internal auditor or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary;
- vii. promptly report to Bursa Securities where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

Audit Committee Report (cont'd)

3.0 SUMMARY OF ACTIVITIES

The summary of the main activities carried out by the Audit Committee during the financial year under review is as follows:-

- i. Reviewed and recommended the quarterly financial results for the Board's approval prior to release of the unaudited results to Bursa Securities;
- ii. Reviewed with the external auditors of the subsidiary companies their audit plan, the results of their audit and audit report;
- iii. Reviewed the internal audit plan and identifying key risk areas within the Group, in which the internal audit function should focus its work;
- iv. Reviewed the financial impact subsequent to the adoption of new financial reporting standards by the Group;

4.0 INTERNAL AUDIT FUNCTION

The Company has established an internal audit function.

The main role of the internal audit function will be to review the adequacy and effectiveness of system of internal controls including risk management, operational controls, compliance with applicable laws and regulations, management efficiency and corporate governance processes within the Company and Group.

The function has been outsourced to an independent professional consultant with effect from March 2008, and he reports directly to the Audit Committee.

Statement Of Directors' Responsibility For Preparing The Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements of the Group and the Company which are drawn up in accordance with the provisions of the Companies Act, 1965, applicable approved accounting standards in Malaysia, applicable MASB Approved Accountings Standards in Malaysia for Entities Other Than Private Entities and the Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and Company as at 30 April 2008.

In preparing the financial statements for the year ended 30 April 2008, the Directors have considered the following:-

Adopted suitable accounting policies and applied them consistently;

Made judgements and estimates that are reasonable and prudent;

Ensured compliance with applicable Approved Accounting Standards in Malaysia; and

Prepared the financial statements on a going concern basis

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records with reasonable accuracy at all times and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors are also responsible for safeguarding the assets of the Group and the Company to prevent and detect fraud and other irregularities.

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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2008.

Commencement of Business Operations and Principal Activities

The Company has commenced business operations during the financial year and its principal activities are those of investment holding and provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

Other than the above, there have been no significant changes in the nature of these activities during the financial year.

The Group was formed on 6 November 2007 upon the completion of the acquisitions of the entire equity interests in Weng Zheng Sdn. Bhd., Weng Zheng Trading Sdn. Bhd. and Weng Zheng Marketing Sdn. Bhd.

In conjunction with Initial Public Offering exercise, the Company was listed on the Second Board of Bursa Malaysia Securities Berhad on 2 January 2008 as disclosed in Note 32 to the financial statements.

This is the first set of financial statements prepared by the Group, hence there are no comparative figures.

Financial Results

	Group RM	Company RM
Net profit for the financial year		
- Attributable to equity holders of the parent	8,271,593	1,654,451

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the effects arising from the changes in accounting policies due to the adoption of the revised Financial Reporting Standards ("FRSs") as disclosed in Note 30 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Group and of the Company for the current financial year.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 April 2008 of 1.5 sen gross less 25% taxation on 100,000,000 ordinary shares amounting to RM1,125,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 April 2009.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT (cont'd)

Issue of Shares and Debentures

During the financial year, the authorised share capital of the Company was increased from RM100,000 to RM100,000,000 by the creation of 199,800,000 new ordinary shares of RM0.50 each.

In addition, the issued and paid-up share capital of the Company was increased from RM2 to RM50,000,000 by additional allotment of 99,999,996 ordinary shares of RM0.50 each as follows:

Date of allotment	Number of shares issued	Issue price RM	Consideration RM	Purposes
6.11.2007	61,560,416	0.50	30,780,208	Settlement of consideration for the acquisition of shares in Weng Zheng Sdn. Bhd.
6.11.2007	15,532,784	0.50	7,766,392	Settlement of consideration for the acquisition of shares in Weng Zheng Trading Sdn. Bhd.
6.11.2007	523,446	0.50	261,723	Settlement of consideration for the acquisition of shares in Weng Zheng Marketing Sdn. Bhd.
27.12.2007	15,000,000	0.68	10,200,000	Public issue undertaken in conjunction with the listing exercise of the Company.
27.12.2007	7,383,350	0.68	5,020,678	Restricted issue undertaken in conjunction with the listing exercise of the Company.
	99,999,996		54,029,001	

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There was no issue of debentures during the financial year under review.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

Directors

The Directors who served since the date of the last report are as follows:

Dato' Amin Rafie Bin Othman	(appointed on 26.10.2007)
Tan Ching Kee	(appointed on 26.10.2007)
Tan Chong Boon	(appointed on 26.10.2007)
Ng Chong Tin	(appointed on 26.10.2007)
Dato' Yeong Kok Hee	(appointed on 26.10.2007)
Dato' Siow Kim Lun	(appointed on 26.10.2007)
Ong Teck Chuan	(appointed on 26.10.2007)
Choong Sood Wai	(resigned on 31.10.2007)
Fadillah Binti Abdul Latif	(resigned on 31.10.2007)

DIRECTORS' REPORT (cont'd)

Directors (cont'd)

In accordance with the Company's Articles of Association, all the Directors retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' Interests

Details of holdings and deemed interests in the share capital of the Company or its related corporations by the Directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:

	No. of ordinary shares of RM0.50 each			At 30.4.2008
	At 1.5.2007	Acquired	Disposed	
Weng Zheng Resources Berhad				
Direct interest				
Dato' Amin Rafie Bin Othman	-	2,150,000	-	2,150,000
Tan Ching Kee	-	39,671,907	500,000	39,171,907 ¹
Tan Chong Boon	-	6,406,980	-	6,406,980
Ng Chong Tin	-	2,398,356	-	2,398,356
Dato' Yeong Kok Hee	-	650,000	-	650,000
Dato' Siow Kim Lun	-	150,000	-	150,000
Ong Teck Chuan	-	150,000	-	150,000
Weng Zheng Resources Berhad				
Indirect interest ²				
Tan Ching Kee	-	2,317,995	-	2,317,995
Tan Chong Boon	-	69,000	-	69,000

Note:

- 1 *Inclusive of 500,000 ordinary shares of RM0.50 each, being part of the offer shares yet to be taken up by Bumiputra investors to be approved by Ministry of International Trade and Industry and are currently placed with the stakeholder, Kenanga Nominees (Tempatan) Sdn. Bhd.*
- 2 *Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse direct interests in the Company.*

By virtue of his interest in the shares of the Company, Tan Ching Kee is also deemed to have interest in the shares of all the subsidiary companies to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company or any of its subsidiary companies a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT (cont'd)

Other Statutory Information

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
 - (iii) any amount stated in the financial statements of the Group and of the Company misleading; and
 - (iv) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) No contingent or other liabilities have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.
- (d) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liability in respect of the Company or its subsidiary companies which has arisen since the end of the financial year.

Significant Events

The significant events are disclosed in Note 32 to the financial statements.

DIRECTORS' REPORT (cont'd)

Auditors

The auditors, Anuarul Azizan Chew & Co., have no intention to seek for re-appointment. A nomination has been received from a shareholder for the appointment of Tai, Yapp & Co. in place of the retiring auditors.

Signed in accordance with a resolution of the Directors.

TAN CHING KEE

NG CHONG TIN

KUALA LUMPUR
8 AUGUST 2008

STATEMENT BY DIRECTORS/ STATUTORY DECLARATION

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, TAN CHING KEE and NG CHONG TIN, being two of the Directors of WENG ZHENG RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements of the Group and of the Company set out on pages 30 to 61 are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2008 and of the results of their operations and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors.

TAN CHING KEE

NG CHONG TIN

KUALA LUMPUR

8 AUGUST 2008

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, SAK SWEE SEONG, being the officer primarily responsible for the financial management of WENG ZHENG RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 30 to 61 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed SAK SWEE SEONG at)
Ampang in the State of Selangor Darul)
Ehsan this 8 August 2008)

SAK SWEE SEONG

Before me,

COMMISSIONER FOR OATHS
ZULKIFLY B. MAHMUD
No. B273

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WENG ZHENG RESOURCES BERHAD (Company No. : 666098-X)

Report on the Financial Statements

We have audited the accompanying financial statements of Weng Zheng Resources Berhad, which comprise the balance sheets as at 30 April 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 61.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2008 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report on the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the independent auditors' reports of all the subsidiary companies which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WENG ZHENG RESOURCES BERHAD
(Company No. : 666098-X)
(cont'd)

Report on Other Legal and Regulatory Requirements (cont'd)

- (c) We are satisfied that the financial statements of the subsidiary companies that are consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and have received satisfactory information and explanations as required by us for those purposes.
- (d) The independent auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

Other Matters

This report is solely made to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume any responsibility to any other person for the content of this report.

ANUARUL AZIZAN CHEW & CO.
Firm Number: AF 0791
Chartered Accountants

SATHIEA SEELEAN A/L MANICKAM
Approved Number: 1729/05/10 (J/PH)
Partner of Firm

KUALA LUMPUR
8 AUGUST 2008

BALANCE SHEETS AS AT 30 APRIL 2008

	Note	Group 2008 RM	Company 2008 RM	2007 RM
Non-Current Assets				
Property, plant and equipment	3	37,818,052	-	-
Prepaid lease payments	4	3,538,286	-	-
Investment in subsidiary companies	5	-	38,808,323	-
		41,356,338	38,808,323	-
Current Assets				
Inventories	6	37,793,326	-	-
Trade receivables	7	29,822,038	-	-
Other receivables	8	889,822	1,658,700	-
Tax recoverable		1,260,222	539,000	-
Amount owing by subsidiary companies	9	-	9,051,290	-
Fixed deposit with a licensed bank	10	4,500,000	4,500,000	-
Cash and bank balances	11	1,706,144	54,209	2
		75,971,552	15,803,199	2
Total assets		117,327,890	54,611,522	2
Equity				
Share capital	12	50,000,000	50,000,000	2
Share premium		2,232,152	2,232,152	-
Retained profit/(Accumulated losses)		8,259,714	1,642,572	(11,879)
Total equity		60,491,866	53,874,724	(11,877)
Non-Current Liabilities				
Hire purchase payables	13	316,683	-	-
Borrowings	14	8,852,669	-	-
Deferred tax liabilities	15	2,131,084	550,000	-
		11,300,436	550,000	-
Current Liabilities				
Trade payables	16	9,113,025	-	-
Other payables	17	1,317,396	186,798	11,879
Hire purchase payables	13	401,343	-	-
Borrowings	14	34,163,806	-	-
Tax payable		540,018	-	-
		45,535,588	186,798	11,879
Total liabilities		56,836,024	736,798	11,879
Total equity and liabilities		117,327,890	54,611,522	2

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

		Group 2008 RM	Company 2008 RM	2007 RM
	Note			
Revenue	18	55,660,328	2,704,000	-
Cost of sales		(45,747,159)	-	-
Gross profit		9,913,169	2,704,000	-
Other operating income		125,952	62,119	-
Other non-operating income	19	3,804,498	-	-
Distribution costs		(601,119)	-	-
Administration expenses		(1,657,700)	(544,835)	(3,186)
Other operating expenses		(1,188,596)	(5,833)	-
Finance costs	20	(1,140,544)	-	-
Profit/(Loss) before taxation	21	9,255,660	2,215,451	(3,186)
Taxation	22	(984,067)	(561,000)	-
Net profit/(loss) for the financial year - attributable to equity holders of the parent		8,271,593	1,654,451	(3,186)
Earnings per share attributable to equity holders of the parent (sen): Basic	23	9.69		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

Group	Share Capital RM	Non- <u>distributable</u> Share Premium RM	<u>Distributable</u> Retained Profit/ Losses (Accumulated) RM	Total RM
At 1 May 2007	2	-	(11,879)	(11,877)
Issue of shares during the financial year	49,999,998	4,029,003	-	54,029,001
Listing expenses	-	(1,796,851)	-	(1,796,851)
Net profit for the financial year	-	-	8,271,593	8,271,593
At 30 April 2008	50,000,000	2,232,152	8,259,714	60,491,866
Company				
At 1 May 2006	2	-	(8,693)	(8,691)
Net loss for the financial year	-	-	(3,186)	(3,186)
At 30 April 2007	2	-	(11,879)	(11,877)
At 1 May 2007	2	-	(11,879)	(11,877)
Issue of shares during the financial year	49,999,998	4,029,003	-	54,029,001
Listing expenses	-	(1,796,851)	-	(1,796,851)
Net profit for the financial year	-	-	1,654,451	1,654,451
At 30 April 2008	50,000,000	2,232,152	1,642,572	53,874,724

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

	Group 2008 RM	Company 2008 RM	2007 RM
Cash Flows From Operating Activities			
Profit/(Loss) before taxation	9,255,660	2,215,451	(3,186)
Adjustment for:			
Allowance for doubtful debts	622,606	-	-
Amortisation of prepaid lease payments	30,857	-	-
Depreciation of property, plant and equipment	1,322,258	-	-
Interest expense	1,140,544	-	-
Interest income	(114,839)	(62,119)	-
Allowance for doubtful debts written back	(27,505)	-	-
Bad debts recovered	(3,800)	-	-
Gain on disposal of property, plant and equipment	(3,775)	-	-
Negative goodwill on consolidation	(3,804,498)	-	-
Unrealised gain on foreign exchange	(61,179)	-	-
Dividend income	-	(2,200,000)	-
Operating profit/(loss) before working capital changes	8,356,329	(46,668)	(3,186)
(Increase)/Decrease in working capital			
Inventories	(6,517,362)	-	-
Trade receivables	(8,989,075)	(8,700)	-
Other receivables	606,209	-	-
Amount owing by subsidiary company	-	(9,051,290)	-
Trade payables	2,843,120	174,919	3,186
Other payables	523,866	-	-
	(11,533,242)	(8,885,071)	3,186
Cash used in operations	(3,176,913)	(8,931,739)	-
Interest received	114,839	62,119	-
Interest paid	(1,140,544)	-	-
Tax refund	312,580	-	-
Tax paid	(1,051,248)	-	-
	(1,764,373)	62,119	-
Net cash used in operating activities	(4,941,286)	(8,869,620)	-

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008

(cont'd)

	Note	Group 2008 RM	2008 RM	Company 2007 RM
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	24	(520,590)	-	-
Proceeds from disposal of property, plant and equipment		31,500	-	-
Acquisitions of subsidiary companies	5(c)	(1,498,899)	-	-
Net cash used in investing activities		(1,987,989)	-	-
Cash Flows from Financing Activities				
Proceeds from issue of shares		13,423,827	13,423,827	-
Drawdown of bank borrowings		1,190,295	-	-
Repayment of bank borrowings		(4,465,297)	-	-
Repayment of hire purchase payables		(226,424)	-	-
Net cash from financing activities		9,922,401	13,423,827	-
Net increase in cash and cash equivalents		2,993,126	4,554,207	-
Cash and cash equivalents at beginning of the financial year		2	2	2
Cash and cash equivalents at end of the financial year		2,993,128	4,554,209	2
Cash and cash equivalents at end of the financial year comprise:				
Fixed deposit with a licensed bank		4,500,000	4,500,000	-
Cash and bank balances		1,706,144	54,209	2
Bank overdrafts		(3,213,016)	-	-
		2,993,128	4,554,209	2

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Company has commenced business operations during the financial year and its principal activities are those of investment holding and provision of management services. The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia, and is quoted on the Second Board of Bursa Malaysia Securities Berhad.

The registered office of the Company is at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

2. Basis of Preparation and Significant Accounting Policies

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

During the financial year, the Group and the Company have adopted the following applicable Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board that are mandatory for the current financial year:

FRS 117 Leases
FRS 124 Related Party Disclosures

The Directors of the Group and of the Company anticipate that the application of the above FRSs do not have any significant impact on the financial statements of the Group and of the Company except as disclosed in Note 30 to the financial statements.

The Directors of the Group and of the Company anticipate that the application of the following amendment to FRS, revised FRSs and Issues Committee Interpretations ("IC Interpretations") which are mandatory and effective for financial period as stated below will have no material impact on the financial statements of the Group and of the Company:

		Effective date for financial periods beginning on or after
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(a) Basis of accounting (cont'd)

		Effective date for financial periods beginning on or after
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8	Scope of FRS 2	1 July 2007

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years as stated in Note 2(e)(iii). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could have impact on the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at 30 April 2008 is disclosed in Note 3 to the financial statements.

(ii) Amortisation of prepaid lease payments

The costs of prepaid lease payments of the Group is amortised on a straight-line basis over the useful lives of the assets. These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amount of the Group's prepaid lease payments as at 30 April 2008 is disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(c) Significant accounting estimates and judgements (cont'd)

(iii) Income taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies from the date that control effectively commences until the date that control effectively ceases through equity accounting which are made up to the end of the financial year.

(i) Subsidiary companies

Subsidiary companies are those companies in which the Group has long term equity interest and has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights.

The purchase method of accounting is used to account for the acquisition of subsidiary companies. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed attributable to the acquirer in a business combination are measured initially at their fair values on the date of acquisition. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation as appropriate. The accounting policy on goodwill or reserve on consolidation is set out in Note 2(g).

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill which were not previously recognised in the consolidated income statement.

(ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(d) Basis of consolidation (cont'd)

(ii) Changes in Group composition (cont'd)

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Transaction costs

Costs directly attributable to an acquisition are included as part of the cost of acquisition.

(e) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated. Capital work-in-progress is not depreciated until the assets are ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(e) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The estimated useful lives for the current periods are as follows:

Buildings	50 years
Plant and machinery	5 - 8 ^{1/3} years
Factory equipment	5 - 8 ^{1/3} years
Motor vehicles	5 years
Office equipment	10 years
Furniture and fittings	5 - 10 years
Electrical fittings	10 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each financial year end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the income statement. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to distribution reserve.

(f) Investment in subsidiary companies

Investment in subsidiary companies is stated at cost less accumulated impairment losses. The policy of the recognition and measurement of impairment losses is in accordance with Note 2(h).

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is recognised in the income statement.

(g) Goodwill or reserve on consolidation

Goodwill arising on consolidation represents the excess of the acquisition cost over the fair value of the net assets of the subsidiary companies at the date of acquisition.

Goodwill on consolidation is tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the carrying amount of goodwill relating to the entity sold.

Reserve on consolidation or negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition over the cost of acquisition and is recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(h) Impairment of assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, recoverable amount is estimated at each reporting date or more frequently when indications of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement in the period in which it arises. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(i) Prepaid lease payments

Leasehold land that normally has an indefinite economic life and its title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that is amortised over the lease term except for leasehold land classified as investment property. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(k) Trade and other receivables

Trade and other receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts. Doubtful debts are provided based on specific review of the receivables. Bad debts are written off when identified.

(l) Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(m) Hire purchase

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are treated as operating leases.

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as liabilities. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the Company's incremental borrowing rate is used.

Hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for assets acquired under hire purchase is consistent with that for depreciable property, plant and equipment which are owned.

Lease rental under operating lease is charged to the income statement on a straight line basis over the term of the relevant lease.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the borrowings are made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawn down from that borrowing facility.

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate which is the weighted of the borrowing costs applicable to the borrowings that are outstanding during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(n) Borrowing costs (cont'd)

Borrowing costs which are not eligible for capitalisation are recognised as an expense in the income statement in the period in which they are incurred.

(o) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an assets or liabilities in the balance sheet and its tax base at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(p) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

(q) Revenue recognition

(i) Goods sold

Revenue from sales of goods is measured at the fair value of the consideration receivable and is recognised when significant risk and rewards have been transferred to the buyer, net of sales taxes and discounts.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

(a) Revenue recognition (cont'd)

(ii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(iii) Rental income and interest income

Rental income and interest income are recognised as it accrues unless ability to collect is in doubt.

(r) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statements as incurred.

(s) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(t) Financial instruments

Financial instruments carried on the balance sheets include cash and bank balances, deposits, marketable securities, other investments, receivables, payables and borrowings. Financial instruments are recognised in the balance sheet when the Group and the Company have become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and the Company have a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The particular recognition method adopted for financial instruments recognised on the balance sheets is disclosed in the individual accounting policy statements associated with each item.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Property, Plant and Equipment

Group	Freehold land and buildings RM	Long term leasehold building RM	Low cost apartments RM	Plant and machinery RM	Factory equipment RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Electrical fittings RM	Capital work-in-progress RM	Total RM
Cost											
At 1.5.2007	-	-	-	-	-	-	-	-	-	-	-
Acquisitions of subsidiary companies	22,667,023	2,311,782	148,920	19,985,905	937,660	2,632,157	482,440	164,422	231,533	2,600	49,564,442
Additions	18,122	56,773	-	60,889	43,470	447,793	25,963	2,097	21,650	59,833	736,590
Disposals	-	-	-	-	-	(64,500)	-	-	-	-	(64,500)
At 30.4.2008	22,685,145	2,368,555	148,920	20,046,794	981,130	3,015,450	508,403	166,519	253,183	62,433	50,236,532
Accumulated depreciation											
At 1.5.2007	-	-	-	-	-	-	-	-	-	-	-
Acquisitions of subsidiary companies	590,827	19,265	10,321	7,980,762	318,005	1,728,815	211,769	86,543	83,458	-	11,029,765
Charge for the financial year	84,667	23,258	1,400	986,391	50,944	137,454	18,942	7,096	12,106	-	1,322,258
Disposals	-	-	-	-	-	(36,775)	-	-	-	-	(36,775)
At 30.4.2008	675,494	42,523	11,721	8,967,153	368,949	1,829,494	230,711	93,639	95,564	-	12,315,248
Accumulated impairment loss											
At 1.5.2007	-	-	-	-	-	-	-	-	-	-	-
Acquisitions of subsidiary companies	103,232	-	-	-	-	-	-	-	-	-	103,232
At 30.4.2008	103,232	-	-	-	-	-	-	-	-	-	103,232
Carrying amount											
At 30.4.2008	21,906,419	2,326,032	137,199	11,079,641	612,181	1,185,956	277,692	72,880	157,619	62,433	37,818,052

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Property, Plant and Equipment (cont'd)

(a) Carrying amount of property, plant and equipment of the Group acquired under hire purchase are as follows:

	Group 2008 RM
Plant and machinery	259,035
Motor vehicles	841,495
	1,100,530

(b) Carrying amounts of property, plant and equipment of the Group pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 14 to the financial statements are as follows:

	Group 2008 RM
Freehold land and buildings	21,906,419
Long term leasehold building	2,326,032
Plant and machinery	8,953,527
	33,185,978

(c) The titles for the low cost apartments of the Group have yet to be issued by the relevant authority.

4. Prepaid Lease Payments

	Group 2008 RM
Cost	
At 1 May	-
Acquisitions of subsidiary companies	3,600,000
	3,600,000
At 30 April	3,600,000
Accumulated amortisation	
At 1 May	-
Acquisitions of subsidiary companies	30,857
Amortisation during the financial year	30,857
	61,714
Carrying amount	3,538,286

The above have been pledged to a licensed bank as security for credit facilities granted to a subsidiary company as disclosed in Note 14 to the financial statements.

The remaining period of the lease term is 56 years.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. Investment in Subsidiary Companies

(a) Investment in subsidiary companies

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	38,808,323	-

(b) The subsidiary companies and shareholdings therein are as follows:

Name of company	Equity interest		Principal activities
	2008 %	2007 %	
Direct holding:			
Weng Zheng Sdn. Bhd.	100	-	Manufacturing and processing of cold drawn bright steel products and related steel products
Weng Zheng Trading Sdn. Bhd.	100	-	Dealers in steel products
Weng Zheng Marketing Sdn. Bhd.	100	-	Trading and processing in all types of steel products

All the subsidiary companies are incorporated in Malaysia and are not audited by Anuarul Azizan Chew & Co.

(c) Acquisitions of subsidiary companies

The effect of the acquisitions on the financial results of the Group from 6 November 2007 to 30 April 2008 is as follows:

	Group 2008 RM
Revenue	55,660,328
Cost of sales	(45,747,159)
Gross profit	9,913,169
Other operating income	63,833
Other non-operating income	3,804,498
Distribution costs	(601,119)
Administration expenses	(1,112,865)
Other operating expenses	(1,182,763)
Finance costs	(1,140,544)
Profit before taxation	9,744,209
Taxation	(973,067)
Net profit for the financial year	8,771,142

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. Investment in Subsidiary Companies (cont'd)

If the acquisitions had occurred on 1 May 2007, the contribution to the Group's revenue and net profit for the financial year would have been RM93,239,121 and RM8,523,601 respectively on a proforma basis.

The assets and liabilities arising from the acquisitions are as follows:

	Group 2008 RM
Property, plant and equipment	38,431,445
Prepaid lease payments	3,569,143
Inventories	31,275,964
Trade and other receivables	22,896,995
Tax recoverable	1,182,644
Cash and bank balances	1,060,841
	98,417,032
Trade and other payables	(7,817,885)
Borrowings	(45,638,201)
Tax payable	(255,429)
Deferred tax liabilities	(2,092,696)
	(55,804,211)
Group's share of net assets	42,612,821
Negative goodwill on consolidation	(3,804,498)
	38,808,323
Total cost of acquisitions	38,808,323
Less: Discharged by issuance of the Company's shares	(38,808,323)
	-

The cash outflow arising from the acquisitions is as follows:

	Group 2008 RM
Purchase consideration satisfied by cash	-
Less: Cash and cash equivalents of subsidiary companies acquired	
- Cash and bank balances	(1,060,841)
- Bank overdrafts	2,559,740
	1,498,899
Net cash outflow on acquisitions of subsidiary companies	1,498,899

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. Inventories

	Group 2008 RM
At cost	
Raw material	13,627,452
Finished goods	24,165,874
	37,793,326

7. Trade Receivables

	Group 2008 RM
Trade receivables	31,664,438
Allowance for doubtful debts	(1,842,400)
	29,822,038

The currency exposure profile is as follows:

	Group 2008 RM
Ringgit Malaysia	23,653,199
US Dollar	6,168,839
	29,822,038

The Group's normal trade credit terms range from 30 to 120 days. Other credit terms are assessed and approved on a case to case basis.

8. Other Receivables

	Group 2008 RM	Company 2008 RM	2007 RM
Other receivables	50,874	1,300	-
Dividend receivable from subsidiary companies	-	1,650,000	-
Deposits	558,453	1,000	-
Prepayment	280,495	6,400	-
	889,822	1,658,700	-

Included in deposits of the Group is an amount of RM300,000 placed as security advance to supplier of a subsidiary company for purchase of second grade pipes.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. Amount Owing by Subsidiary Companies

This represents unsecured interest free advances with no fixed term of repayment.

10. Fixed Deposit with a Licensed Bank

The interest rate and maturity of deposit are 3.45% per annum and 30 days respectively.

11. Cash and Bank Balances

The currency exposure profile is as follows:

	Group	Company	
	2008	2008	2007
	RM	RM	RM
Ringgit Malaysia	1,610,813	54,209	2
US Dollar	95,331	-	-
	1,706,144	54,209	2

12. Share Capital

	Group/Company	
	2008	2007
	RM	RM
Ordinary shares of RM0.50 each		
Authorised		
At 1 May	100,000	100,000
Created during the financial year	99,900,000	-
	100,000,000	100,000
Issued and fully paid		
At 1 May	2	2
Issued during the financial year	49,999,998	-
	50,000,000	2

During the financial year, the authorised share capital of the Company was increased from RM100,000 to RM100,000,000 by the creation of 199,800,000 new ordinary shares of RM0.50 each.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. Share Capital (cont'd)

In addition, the issued and paid-up share capital of the Company was increased from RM2 to RM50,000,000 by additional allotment of 99,999,996 ordinary shares of RM0.50 each as follows:

Date of allotment	Number of shares Issue	issued price RM	Consideration RM	Purposes
6.11.2007	61,560,416	0.50	30,780,208	Settlement of consideration for the acquisition of shares in Weng Zheng Sdn. Bhd.
6.11.2007	15,532,784	0.50	7,766,392	Settlement of consideration for the acquisition of shares in Weng Zheng Trading Sdn. Bhd.
6.11.2007	523,446	0.50	261,723	Settlement of consideration for the acquisition of shares in Weng Zheng Marketing Sdn. Bhd.
27.12.2007	15,000,000	0.68	10,200,000	Public issue undertaken in conjunction with the listing exercise of the Company.
27.12.2007	7,383,350	0.68	5,020,678	Restricted issue undertaken in conjunction with the listing exercise of the Company.
	<u>99,999,996</u>		<u>54,029,001</u>	

13. Hire Purchase Payables

	Group 2008 RM
(a) Minimum hire purchase payments	
Within one year	426,642
Between one and two years	267,943
Between two and five years	57,726
	<u>752,311</u>
Less : Future finance charges	(34,285)
Present value of hire purchase liabilities	<u>718,026</u>
(b) Present value of hire purchase liabilities	
Within one year	401,343
Between one and two years	259,964
Between two and five years	56,719
	<u>718,026</u>
Analysed as:	
Repayable within twelve months	401,343
Repayable after twelve months	316,683
	<u>718,026</u>

Interest is charged at rates ranging from 2.30% to 3.50% per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. Borrowings

	Group 2008 RM
Secured	
Bank overdrafts	3,213,016
Bankers' acceptance	18,882,000
Revolving credit	3,323,270
Onshore foreign currency loan	3,331,294
Term loans	12,268,895
	41,018,475
Unsecured	
Bankers' acceptance	1,998,000
	43,016,475
Group 2008 RM	
Analysed as:	
Repayable within twelve months	
Secured	
Bank overdrafts	3,213,016
Bankers' acceptance	18,882,000
Revolving credit	3,323,270
Onshore foreign currency loan	3,331,294
Term loans	3,416,226
	32,165,806
Unsecured	
Bankers' acceptance	1,998,000
	34,163,806
Repayable after twelve months	
Secured	
Term loans	8,852,669
	43,016,475

The above credit facilities obtained from licensed banks are secured by the following:

- (a) legal charge over the freehold land and buildings and leasehold land and building of certain subsidiary companies;
- (b) debentures over certain plant and machinery of a subsidiary company;
- (c) fixed deposits belong to a Director of the Company; and
- (d) joint and several guarantees by certain Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. Borrowings (cont'd)

Maturity of borrowings is as follows:

	Group 2008 RM
Within one year	34,163,806
Between one and two years	2,170,784
Between two and five years	6,001,779
After five years	680,106
	43,016,475

Range of interest rates is as follows:

	Group 2008 %
Bank overdrafts	7.50 - 8.75
Bankers' acceptance	4.07 - 4.20
Revolving credit	4.92 - 5.10
Onshore foreign currency loan	3.30 - 3.60
Term loans	3.38 - 8.55

15. Deferred Tax Liabilities

	Group 2008 RM	Company 2008 RM	2007 RM
At 1 May	-	-	-
Acquisitions of subsidiary companies	2,092,696	-	-
Recognised in income statement	117,499	572,000	-
Relating to change in tax rate	(79,111)	(22,000)	-
	2,131,084	550,000	-

The components and movements of deferred tax liabilities of the Group and of the Company are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM	Fair value adjustment RM	Total RM
At 1 May 2007 -	-	-	-
Acquisitions of subsidiary companies	1,375,000	717,696	2,092,696
Recognised in income statement	76,000	(37,612)	38,388
	1,451,000	680,084	2,131,084

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. Deferred Tax Liabilities (cont'd)

Deferred tax liabilities of the Company:

	Dividend receivable RM	Total RM
At 1 May 2007	-	-
Recognised in income statement	550,000	550,000
At 30 April 2008	550,000	550,000

16. Trade Payables

The currency exposure profile is as follows:

	Group 2008 RM
Ringgit Malaysia	9,108,128
US Dollar	4,897
	9,113,025

The normal trade credit terms granted to the Group range from 30 to 120 days.

17. Other Payables

	Group 2008 RM	Company 2008 RM	2007 RM
Other payables	902,881	46,531	11,079
Accruals	405,515	140,267	800
Deposit received	9,000	-	-
	1,317,396	186,798	11,879

18. Revenue

	Group 2008 RM	Company 2008 RM	2007 RM
Sales of goods	55,660,328	-	-
Management fee	-	504,000	-
Dividend income from subsidiary companies	-	2,200,000	-
	55,660,328	2,704,000	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

19. Other Non-Operating Income

The other non-operating income was in respect of the negative goodwill which represents the excess of the fair values of the net identifiable assets acquired over the cost of the acquisitions as at the completion date of the acquisitions of the entire equity interest in Weng Zheng Sdn. Bhd., Weng Zheng Trading Sdn. Bhd. and Weng Zheng Marketing Sdn. Bhd. as disclosed in Note 32 to the financial statements.

20. Finance Costs

	Group 2008 RM
Finance costs on:	
- bank overdrafts	62,525
- bankers' acceptance	528,446
- revolving credit	97,357
- onshore foreign currency loan	7,597
- term loans	425,752
- hire purchase	18,867
	1,140,544

21. Profit/(Loss) before Taxation

Profit/(Loss) before taxation is derived after charging/(crediting) :

	Group 2008 RM	Company 2008 RM	2007 RM
Auditors' remuneration	34,600	10,000	500
Remuneration of Executive Directors of the Company			
- salaries and other emoluments	382,630	382,630	-
- EPF	45,804	45,804	-
Remuneration of Non-Executive Directors of the Company			
- fees	65,000	65,000	-
- other emoluments	23,000	23,000	-
Allowance for doubtful debts	622,606	-	-
Amortisation of prepaid lease payments	30,857	-	-
Depreciation of property, plant and equipment	1,322,258	-	-
Realised loss on foreign exchange	38,883	-	-
Interest income	(114,839)	(62,119)	-
Allowance for doubtful debts written back	(27,505)	-	-
Bad debts recovered	(3,800)	-	-
Gain on disposal of property, plant and equipment	(3,775)	-	-
Rental income	(9,000)	-	-
Unrealised gain on foreign exchange	(61,179)	-	-

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM24,474 and RM24,474 respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

22. Taxation

	Group 2008 RM	Company 2008 RM	2007 RM
Tax expense for the financial year:			
Current tax provision	913,608	11,000	-
Under provision in prior year	32,071	-	-
	945,679	11,000	-
Deferred tax:			
Relating to origination and reversal of temporary differences	117,499	572,000	-
Relating to change in tax rate	(79,111)	(22,000)	-
	38,388	550,000	-
	984,067	561,000	-

Income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the financial year. The statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. The computation of deferred tax as at 30 April 2008 has reflected these changes.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group 2008 RM	Company 2008 RM	2007 RM
Profit/(Loss) before taxation	9,255,660	2,215,451	(3,186)
Taxation at statutory tax rate of 26% (2007: 27%)	2,406,472	576,017	(860)
Expenses not deductible for tax purposes	173,668	6,983	860
Income not subject to tax	(989,169)	-	-
Reduction in tax rate used for deferred tax	(79,111)	(22,000)	-
Under provision of taxation in respect of prior years	32,071	-	-
Utilisation of unutilised building allowances	(26,886)	-	-
Utilisation of reinvestment allowances	(506,437)	-	-
Tax effects of expenses that qualify for double deduction	(2,340)	-	-
Tax incentive obtained from differential tax rate of 20%	(24,201)	-	-
	984,067	561,000	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. Earnings Per Share

(a) Basic earnings per share

The earnings per share has been calculated based on the consolidated net profit for the financial year attributable to equity holders of the parent of RM8,271,593 and the weighted average number of ordinary shares in issue during the financial year of 85,322,393.

(b) Diluted earnings per share

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares as at financial year end.

24. Purchase of Property, Plant and Equipment

	Group 2008 RM
Aggregate costs	736,590
Less: Hire purchase financing	(216,000)
	520,590
Cash payments	520,590

25. Staff Costs

	Group 2008 RM
Staff costs (excluding Directors)	1,419,277

Included in the staff costs above is contribution made to the Employees Provident Fund under a defined contribution plan for the Group amounting to RM92,430.

26. Related Party Disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	Company	
	2008 RM	2007 RM
Subsidiary companies:		
Management fee received/receivable	504,000	-
Dividend income receivable	2,200,000	-
	2,704,000	-

Save as disclosed above, there are no other related party transactions entered into in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

26. Related Party Disclosures (cont'd)

(b) Information regarding outstanding balances arising from related party transactions as at 30 April 2008 is disclosed in Notes 8 and 9 to the financial statements.

(c) Information regarding compensation of key management personnel is as follows:

	Group 2008 RM	Company 2008 RM	2007 RM
Short-term employee benefits	618,788	452,908	-

27. Segment Information

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

The accounting policies of the segments are consistent with the accounting policies of the Group.

(a) Business segment

The main business segments of the Group comprise the following:

Manufacturing	Manufacturing of steel products
Trading and investment	Trading of steel products and investment holding

	Manufacturing RM	Trading and investment RM	Total RM
2008			
Revenue			
Sales	32,514,162	34,929,640	67,443,802
Less: Inter-segment sales	(1,086,872)	(10,696,602)	(11,783,474)
	31,427,290	24,233,038	55,660,328
Results			
Segment results	3,257,235	3,257,496	6,514,731
Unallocated income			76,975
Finance costs			(1,140,544)
Negative goodwill on consolidation			3,804,498
Profit before taxation			9,255,660
Taxation			(984,067)
Net profit for the financial year			8,271,593

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27. Segment Information (cont'd)

(a) Business segment (cont'd)

2008	Manufacturing RM	Trading and investment RM	Total RM
Assets			
Segment assets	75,487,727	36,079,941	111,567,668
Unallocated assets			5,760,222
Total assets			<u>117,327,890</u>
Liabilities			
Segment liabilities	3,437,378	6,993,043	10,430,421
Unallocated liabilities			46,405,603
Total liabilities			<u>56,836,024</u>
Other information			
Capital expenditure	432,389	304,201	736,590
Depreciation and amortisation	1,240,815	112,300	1,353,115
Significant non-cash expenses other than depreciation and amortisation	160,399	462,207	622,606

All the inter-segment transactions were carried out on normal commercial basis and in the ordinary course of business.

(b) Geographical segments

No geographical segment reporting is presented as the activities of the Group are carried out mainly in Malaysia.

28. Contingent Liabilities

	Group 2008 RM
Secured	
Banker's guarantees in favour of third parties	194,000

29. Capital Commitments

	Group 2008 RM
Authorised and contracted for	
Property, plant and equipment	307,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30. Effects on Adoption of Revised FRSs

The effects on adoption of the following revised FRSs in financial year 2008 are set out below:

(a) FRS 117: Leases

This FRS requires that leases of land and buildings to be classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease.

(b) FRS 124: Related Party Disclosures

FRS 124 has no material financial impact on the Group's and the Company's accounting policies. This standard affects the identification of related parties and has resulted in additional related party disclosures presented in the financial statements.

31. Financial Instruments

(a) Financial risk management objectives and policies

The Group and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Foreign currency exchange risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar. The Group maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

(c) Interest rate risk

The Group and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group and the Company's borrowings and deposits. The Group/Company monitors the interest rates constantly although the prevailing interest rates are low.

(d) Credit risk

The Group's and the Company's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedures and action is taken to recover debts when due.

At balance sheet date, the Group has trade receivables (net of allowance for doubtful debts) of RM3,687,197 which have been outstanding for more than 120 days. Other than as mentioned above, the Group has no significant exposure to credit risk. The Group also has no significant concentrations of credit risk. The maximum exposure to credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31. Financial Instruments (cont'd)

(e) Liquidity and cash flow risk

The Group and the Company seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's ability to repay and refinance.

The Group and the Company also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

(f) Fair values

(i) The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings approximate fair value due to the relatively short term nature of these financial instruments.

(ii) The aggregate fair values of the other financial assets and liabilities carried on the balance sheets are as follows:

	2008	
	Carrying amount	Fair value
	RM	RM
Group		
Financial liabilities		
Hire purchase payables	316,683	301,645
Borrowings	8,852,669	7,087,084

The fair values of the long term borrowings are estimated by discounting the expected future cash flows using the current interest rates for the liabilities with similar risk profiles.

32. Significant Events

On 6 November 2007, the Company acquired 100% equity interest in Weng Zheng Sdn. Bhd., Weng Zheng Trading Sdn. Bhd. and Weng Zheng Marketing Sdn. Bhd. for purchase consideration of RM30,780,208, RM7,766,392 and RM261,723 respectively by way of issuance of 77,616,646 ordinary shares of RM0.50 each of the Company as disclosed in Note 12 to the financial statements.

The above acquisitions were in conjunction with and were an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company of 100,000,000 ordinary shares of RM0.50 each on the Second Board of Bursa Malaysia Securities Berhad, for which the Company undertook the following:

(i) a public issue of 15,000,000 new ordinary shares at an issue price of RM0.68 per share to selected investors, general public, eligible directors and employees; and

(ii) a restricted issue of 7,383,350 new ordinary shares at an issue price of RM0.68 per share to Bumiputera investors approved/nominated by the Ministry of International Trade and Industry.

On 2 January 2008, the entire issued and paid-up share capital of the Company of RM50,000,000 comprising 100,000,000 ordinary shares of RM0.50 each was listed and quoted on the Second Board of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. Comparative Figures

No comparative figures are presented for the Group as this is the first set of consolidated financial statements.

34. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 30 April 2008 were authorised for issue in accordance with a resolution of the Board of Directors on 8 August 2008.

LIST OF PROPERTIES AS AT 30 APRIL 2008

Location	Tenure	Land area/ Built-up Area (sq ft)	Description /Existing Use	Net Book Value (RM'000)	Age of Building	Year Acquired/ Revalued
Lot 1850 Jalan KPB 10 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Freehold	102,154/ 79,759	Manufacturing Plant cum Warehouse	9,629	8 years	2007
Lot 1882 Jalan KPB 9 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Leasehold (Expires 17.8.2065)	81,646/ 40,860	Warehouse	5,864	1 year	2007
Lot 1890 Jalan KPB 9 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Freehold	78,642/ 59,992	Corporate office cum Warehouse	8,778	4 years	2007
Lot 1897 Jalan KPB 9 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Freehold	83,002	Vacant Agriculture Land	3,500	N/A	2007
B2-1 Block B Jalan Damai Perdana 2/8 Bandar damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	69	5 years	2007
B2-1 Block B Jalan Damai Perdana 2/8 Bandar damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	69	5 years	2007

ANALYSIS OF SHAREHOLDINGS

ANALYSIS BY SIZE OF SHAREHOLDINGS

	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	-	-	-	-
100 - 1,000	553	34.07	542,200	0.54
1,001 - 10,000	748	46.09	3,306,900	3.31
10,001 - 100,000	246	15.16	8,773,104	8.77
100,001 - 4,999,999	74	4.56	42,448,909	42.45
5,000,000 AND ABOVE (5% OF ISSUED SECURITIES)	2	0.12	44,928,887	44.93
	1,623	100.00	100,000,000	100.00

DIRECTORS' SHAREHOLDINGS AS AT 8 SEPTEMBER 2008

	Direct	%	Indirect ²	%
Dato' Amin Rafie Bin Othman	1,150,000	1.15	-	-
Tan Ching Kee	39,171,907 ¹	39.17	2,317,995	2.32
Tan Chong Boon	6,406,980	6.41	69,000	0.07
Ng Chong Tin	2,398,356	2.4	-	-
Dato' Yeong Kok Hee	650,000	0.65	-	-
Dato' Siow Kim Lun	150,000	0.15	-	-
Ong Teck Chuan	150,000	0.15	-	-

Note:

- Inclusive of 500,000 ordinary shares of RM0.50 each, being part of the offer shares yet to be taken up by Bumiputra investors to be approved by Ministry of International Trade and Industry and are currently placed with the stakeholder, Kenanga Nominees (Tempatan) Sdn. Bhd.
- Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse direct interests in the Company.

SUBSTANTIAL SHAREHOLDERS AS AT 8 SEPTEMBER 2008

	Direct	%	Indirect ²	%
Tan Ching Kee	39,171,907 ¹	39.17	2,317,995	2.32
Tan Chong Boon	6,406,980	6.41	69,000	0.07

Note:

- Inclusive of 500,000 ordinary shares of RM0.50 each, being part of the offer shares yet to be taken up by Bumiputra investors to be approved by Ministry of International Trade and Industry and are currently placed with the stakeholder, Kenanga Nominees (Tempatan) Sdn. Bhd.
- Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse direct interests in the Company.

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 8 SEPTEMBER 2008

No.	NAME	NO. OF SHARES	PERCENTAGE
1	TAN CHING KEE	38,521,907	38.52
2	TAN CHONG BOON	6,406,980	6.41
3	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAMZAH BIN MOHD SALLEH (BSL)	2,900,000	2.90
4	NG CHONG TIN	2,398,356	2.40
5	NG LAY HOON	2,317,995	2.32
6	CHONG POH SAM	2,284,595	2.28

ANALYSIS OF SHAREHOLDINGS (cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 8 SEPTEMBER 2008 (cont'd)

No.	NAME	NO. OF SHARES	PERCENTAGE
7	ABD HAMID BIN ABD RAHMAN	2,050,900	2.05
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RIO CAPITAL SDN. BHD.	2,000,000	2.00
9	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR JOHAR BIN MURAT @ MURAD (SFC)	1,600,200	1.60
10	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR ZAINAL ABIDIN BIN ZAKARIA	1,561,500	1.56
11	HENG HUN JIAT	1,540,500	1.54
12	TAN AI CHOO	1,539,400	1.54
13	PHANG CHIN KHIONG	1,122,200	1.12
14	BADRUDDIN BIN AMIRULDIN	1,038,000	1.04
15	YAP HOO	1,033,995	1.03
16	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR AMIN RAFIE BIN OTHMAN	1,000,000	1.00
17	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR FAZRIN AZWAR BIN MD.NOR (SFC)	818,500	0.82
18	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ALI BIN ABDUL KADIR (SMART)	813,600	0.81
19	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR SYED AHMAD FAIZ BIN SYED YUSOFF FADZIL (SFC)	809,000	0.81
20	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MELATI MERIAH SDN BHD (PB)	700,000	0.70
21	YEONG KING HUI	690,000	0.69
22	TENGGU UZIR BIN TENGGU UBADILLAH	665,600	0.67
23	YEONG KOK HEE	650,000	0.65
24	NG SEE KAM	600,000	0.60
25	TAN LEE HWA	580,000	0.58
26	BORHAN BIN UJANG	562,500	0.56
27	CHUAH TAI EU	500,000	0.50
28	KENANGA NOMINEES (TEMPATAN) SDN BHD TAN CHING KEE	500,000	0.50
29	MD ZAIN BIN PIEE	500,000	0.50
30	SHALIZA BINTI SABTU	500,000	0.50
SUB-TOTAL		78,205,728	78.21

TOTAL ISSUED SHARES : 100,000,000

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of Weng Zheng Resources Berhad will be held at Perdana Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Friday, 17th October 2008 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements for the financial year ended 30 April 2008 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To declare a Final Dividend of 1.5 sen per ordinary share of RM0.50 each less 25% income tax for the financial year ended 30 April 2008. **Resolution 2**
3. To approve the payment of Directors' fees amounting to RM65,000 for the financial year ended 30 April 2008. **Resolution 3**
4. To re-elect the following Directors retiring in accordance with Article 91 of the Company's Articles of Association and who being eligible, have offered themselves for re-election:-
 - i) Dato' Amin Rafie Bin Othman **Resolution 4**
 - ii) Tan Ching Kee **Resolution 5**
 - iii) Tan Chong Boon **Resolution 6**
 - iv) Ng Chong Tin **Resolution 7**
 - v) Dato' Yeong Kok Hee **Resolution 8**
 - vi) Dato' Siow Kim Lun **Resolution 9**
 - vii) Ong Teck Chuan **Resolution 10**
5. To appoint Auditors and to authorize the Directors to fix their remuneration. **Resolution 11**

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A", had been received by the Company for the nomination of Messrs Tai, Yapp & Co., who have given their consent to act, for appointment as Auditors of the Company and to propose the following Ordinary Resolution:-

"THAT Messrs Tai, Yapp & Co. be and are hereby appointed Auditors of the Company in place of the retiring auditors Messrs Anuarul Azizan Chew & Co. and hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Directors to determine their remuneration.

6. Special Business

To consider and if thought fit, pass the following as a **Special Resolution**:-

Proposed Change of Name from Weng Zheng Resources Berhad to WZ Steel Berhad

Resolution 12

"THAT the name of the Company be changed from Weng Zheng Resources Berhad to **WZ Steel Berhad** with effect from the date of Certificate of Incorporation on Change of Name of the Company to be issued by the Companies Commission of Malaysia, and that the Memorandum and Articles of Association of the Company be amended accordingly, wherever the name of the Company appears ("Proposed Change of Name"); AND THAT the Directors of the Company be and are hereby authorized to give effect to the Proposed Change of Name with full power to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities or which the Directors may consider necessary or expedient to give effect to the Proposed Change of Name."

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

7. To transact any other ordinary business for which due notice shall have been given.

NOTICE OF FINAL DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final dividend of 1.5 sen per ordinary share of RM0.50 each less 25% income tax for the financial year ended 30 April 2008, if approved by shareholders at the Fourth Annual General Meeting, will be paid on 7 November 2008 to the depositors whose names appear in the Record of Depositors of the Company at the close of business on 23 October 2008.

A depositor shall qualify for entitlement to the dividend in respect of:-

- (a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 23 October 2008 in respect of the transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

TAN LEH KIAH
PAN MI KEAY
Secretaries
Kuala Lumpur
25 September 2008

Notes:

1. A Member entitled to attend and vote may appoint at least one (1) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more proxies, he shall specify the proportion of his holdings to be represented by each proxy in a poll and the proxy who shall be entitled to vote on a show of hands, failing which the appointment shall be invalid.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
4. The instrument of proxy must be deposited with the Company's Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes on Special Business:-

Special Resolution - Proposed Change of Name from Weng Zheng Resources Berhad to WZ Steel Berhad

The Proposed Change of Name from Weng Zheng Resources Berhad to WZ Steel Berhad is to better reflect the Group's businesses.

The Proposed Change of Name, if approved by the shareholders, will take effect from the date of issuance of Certificate of Change of Name by the Companies Commission of Malaysia.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

NAME OF DIRECTORS STANDING FOR RE-ELECTION

The following are directors standing for re-election at the forthcoming AGM:

- i) Dato' Amin Rafie Bin Othman
- ii) Tan Ching Kee
- iii) Tan Chong Boon
- iv) Ng Chong Tin
- v) Dato' Yeong Kok Hee
- vi) Dato' Siow Kim Lun
- vii) Ong Teck Chuan

The profile of the directors are set out on page 4 to 6 of this Annual Report.

DETAILS OF BOARD MEETINGS

Four (4) Board Meetings were held during financial year ended 30 April 2008. Details of the meetings are as follows:

Date of Meeting	Venue
6 November 2007	Lot 1890, Jalan KPB 9, Kawasan Perindustrian Balakong 43300 Seri Kembangan, Selangor Darul Ehsan
15 November 2007	Lot 1890, Jalan KPB 9, Kawasan Perindustrian Balakong 43300 Seri Kembangan, Selangor Darul Ehsan
28 December 2007	Lot 1890, Jalan KPB 9, Kawasan Perindustrian Balakong 43300 Seri Kembangan, Selangor Darul Ehsan
28 March 2008	Lot 1890, Jalan KPB 9, Kawasan Perindustrian Balakong 43300 Seri Kembangan, Selangor Darul Ehsan

DETAILS OF ATTENDANCE OF DIRECTORS

Details of attendance of Directors at the Board Meetings held in the financial year ended 30 April 2008 are as follows:

Name of Directors	No. of Meetings Attended
Dato' Amin Rafie Bin Othman	4/4
Tan Ching Kee	4/4
Tan Chong Boon	4/4
Ng Chong Tin	4/4
Dato' Yeong Kok Hee	4/4
Dato' Siow Kim Lun	4/4
Ong Teck Chuan	4/4

NOTICE OF NOMINATION OF AUDITORS

Tan Ching Kee
24A, Kampung Gurney
44300 Ulu Yam Baru
Selangor Darul Ehsan

Date: 29 July 2008

The Board of directors
Weng Zheng Resources Berhad
Suite 13.03, 13th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172 (11) of the Companies Act, 1965, being a shareholder of Weng Zheng Resources Berhad (' the Company"), hereby give notice of our intention to nominate Messrs. Tai, Yapp & Co for appointment as auditors of the Company in place of the retiring auditors, Messrs. Anuarul Azizan Chew & Co. and propose that the following ordinary resolution to be tabled at the forthcoming Annual General Meeting of the company.

"That Messrs. Tai, Yapp & Co be and are hereby appointed Auditors of the Company in place of the retiring auditors Messrs. Anuarul Azizan Chew & Co. and hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Directors to determine their remuneration.

Yours faithfully,



.....
Tan Ching kee
Shareholder



WENG ZHENG

WENG ZHENG RESOURCES BERHAD

(Company No. 666098-X)

(Incorporated in Malaysia)

FORM OF PROXY

Number of ordinary shares held

I/We, _____ I.C No./Co. No./CDS No. _____

of _____

being a Member/Members of WENG ZHENG RESOURCES BERHAD, hereby appoint _____

_____ of _____

_____ or failing him / her, _____

of _____

or failing him / her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held at Perdana Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Friday, 17th October 2008 at 10:00 a.m. and at any adjournment thereof. My / Our proxy is to vote as indicated below :-

Resolutions	For	Against
1. To receive and adopt the audited financial statements for the financial year ended 30 April 2008 together with the Reports of the Directors and Auditors thereon.		
2. To declare a Final Dividend.		
3. To approve the payment of Directors' fees for the financial year ended 30 April 2008.		
4. To re-elect Dato' Amin Rafie Bin Othman as Director.		
5. To re-elect Mr. Tan Ching Kee as Director.		
6. To re-elect Mr. Tan Chong Boon as Director.		
7. To re-elect Mr. Ng Chong Tin as Director.		
8. To re-elect Dato' Yeong Kok Hee as Director.		
9. To re-elect Dato' Siow Kim Lun as Director.		
10. To re-elect Mr. Ong Teck Chuan as Director.		
11. To appoint Auditors and to authorize the Directors to fix their remuneration.		
12. Proposed Change of name.		

(Please indicate with a "✗" or "✓" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her direction)

Dated this _____ day of _____, 2008

Signature/ Common Seal

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, this form, duly completed must be deposited at the Company's Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
3. A member may appoint one (1) or more proxies to attend and vote at the same meeting, provided always that each member of the Company, including a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 is only entitled to appoint one proxy for every securities account that the member holds with ordinary shares of the Company standing to the credit of the said securities account. If the appointer is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

FOLD THIS FLAP FOR SEALING

FOLD HERE

Affix
stamp

The Company Secretaries
WENG ZHENG RESOURCES BERHAD
Suite 13.03, 13th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur

FOLD HERE
