

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
 Stock name : WASEONG
 Financial Period Ended : 31 March 2013
 Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2013

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 March 2013 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 March 2012 Unaudited RM'000	Current Period To-date Ended 31 March 2013 Unaudited RM'000	Preceding Year Corresponding Period-To-date Ended 31 March 2012 Unaudited RM'000
Gross revenue	427,906	481,560	427,906	481,560
Cost of sales	(388,495)	(416,571)	(388,495)	(416,571)
Gross profit	39,411	64,989	39,411	64,989
Other operating income	14,186	10,324	14,186	10,324
Selling and distribution expenses	(7,587)	(6,251)	(7,587)	(6,251)
Administrative and general expenses	(40,690)	(40,745)	(40,690)	(40,745)
Other (losses)/gains - net	(1,803)	3,448	(1,803)	3,448
Finance costs	(4,842)	(5,424)	(4,842)	(5,424)
Share of results of associates and jointly controlled entities	(1,181)	(2,684)	(1,181)	(2,684)
(Loss)/profit before tax	(2,506)	23,657	(2,506)	23,657
Taxation	(3,884)	575	(3,884)	575
Net (loss)/profit for the financial period	(6,390)	24,232	(6,390)	24,232
Net (loss)/profit attributable to:				
- Owners of the Company	(1,553)	17,784	(1,553)	17,784
- Non-controlling interests	(4,837)	6,448	(4,837)	6,448
	(6,390)	24,232	(6,390)	24,232

(Loss)/earnings per share				
- Basic (loss)/earnings per share (sen)	(0.20)	2.30	(0.20)	2.30
- Diluted (loss)/earnings per share (sen)	(0.20)	2.30	(0.20)	2.30

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 March 2013 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 March 2012 Unaudited RM'000	Current Period To-date Ended 31 March 2013 Unaudited RM'000	Preceding Year Corresponding Period-To-date Ended 31 March 2012 Unaudited RM'000
Net (loss)/profit for the financial period	(6,390)	24,232	(6,390)	24,232
Other comprehensive income/(expenses), net of tax:				
Available-for-sale financial assets				
-Fair value gains	6	1	6	1
Foreign currency translation differences for foreign operations	952	(4,036)	952	(4,036)
	<u>958</u>	<u>(4,035)</u>	<u>958</u>	<u>(4,035)</u>
Total comprehensive (expense)/ income for the financial period	<u>(5,432)</u>	<u>20,197</u>	<u>(5,432)</u>	<u>20,197</u>
Total comprehensive (expense)/ income attributable to:				
- Owners of the Company	223	13,579	223	13,579
- Non-controlling interests	(5,655)	6,618	(5,655)	6,618
	<u>(5,432)</u>	<u>20,197</u>	<u>(5,432)</u>	<u>20,197</u>

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March 2013 Unaudited RM'000	As at 31 December 2012 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	540,885	478,400
Prepaid lease payments	173,977	97,107
Biological assets	6,840	-
Investment properties	10,124	11,253
Investment in associates	106,285	114,655
Investment in jointly controlled entities	24,582	71,764
Available-for-sale financial assets	1,148	1,142
Derivative financial assets	67	61
Goodwill	111,901	109,886
Other intangible assets	61	68
Deferred tax assets	12,267	10,498
	988,137	894,834
Current Assets		
Inventories	234,789	251,324
Amounts due from customers on contracts	77,366	55,251
Trade and other receivables	589,145	578,286
Amounts owing by associates	1,417	1,442
Amounts owing by jointly controlled entities	27,533	52,560
Tax recoverable	25,157	23,490
Derivative financial assets	-	472
Time deposits	183,282	155,229
Cash and bank balances	159,582	158,480
	1,298,271	1,276,534
Assets of disposal groups held for sale	3,990	3,990
TOTAL ASSETS	2,290,398	2,175,358
EQUITY AND LIABILITIES		
Capital and Reserves Attributable to Owners of the Company		
Share capital	387,444	387,444
Share premium	160,246	160,254
Warrants reserve	-	25,786
Exchange translation reserves	209	(1,561)
Treasury shares	(15,304)	(8,573)
Available-for-sale reserve	60	54
Retained profits	419,636	426,892
Equity attributable to owners of the Company	952,291	990,296
Non-controlling interests	164,871	99,607
TOTAL EQUITY	1,117,162	1,089,903

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	As at 31 March 2013 Unaudited RM'000	As at 31 December 2012 Audited RM'000
LIABILITIES		
Non-Current and Deferred Liabilities		
Hire purchase liabilities	15	17
Term loans	190,050	219,868
Deferred tax liabilities	10,266	6,497
Other liabilities	2,834	3,279
	<u>203,165</u>	<u>229,661</u>
Current Liabilities		
Amounts due to customers on contracts	55,632	61,232
Trade and other payables	316,264	313,019
Amounts owing to jointly controlled entities	1,722	2,901
Derivative financial liabilities	1,350	-
Provision for warranties	10,488	10,526
Hire purchase liabilities	8	8
Term loans	112,703	81,662
Other bank borrowings	437,115	382,917
Dividend payable	31,489	-
Current tax liabilities	3,300	3,529
	<u>970,071</u>	<u>855,794</u>
TOTAL LIABILITIES	<u>1,173,236</u>	<u>1,085,455</u>
TOTAL EQUITY AND LIABILITIES	<u>2,290,398</u>	<u>2,175,358</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
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Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have not been audited

	----- Attributable to owners of the Company -----											
	Share capital RM'000	Equity component of ICULS RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserves RM'000	Capital reserve RM'000	Treasury shares RM'000	Available- for-sale reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2012												
- as previously stated	376,787	4,895	162,385	25,786	(3,458)	85	(222)	77	437,699	1,004,034	93,658	1,097,692
- effects of transitioning to MFRS	-	-	-	-	9,930	(85)	-	-	(9,845)	-	-	-
- as restated	376,787	4,895	162,385	25,786	6,472	-	(222)	77	427,854	1,004,034	93,658	1,097,692
Net profit for the financial period	-	-	-	-	-	-	-	-	17,784	17,784	6,448	24,232
Other comprehensive income for the financial period	-	-	-	-	(4,206)	-	-	1	-	(4,205)	170	(4,035)
Total comprehensive income for the financial period	-	-	-	-	(4,206)	-	-	1	17,784	13,579	6,618	20,197
Transactions with owners:												
Issuance of shares:												
- conversion of ICULS	1,501	(862)	-	-	-	-	-	-	-	639	-	639
- bonus shares arising from conversion of ICULS	375	-	(375)	-	-	-	-	-	-	-	-	-
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(22,717)	(22,717)	-	(22,717)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	37	37
Total contributions by and distributions to owners	1,876	(862)	(375)	-	-	-	-	-	(22,717)	(22,078)	37	(22,041)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

These figures have not been audited

	----- Attributable to owners of the Company -----											
	Share capital RM'000	Equity component of ICULS RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserves RM'000	Capital reserve RM'000	Treasury shares RM'000	Available-for-sale reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Acquisition of shares in an existing subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(2,807)	(2,807)	(3,441)	(6,248)
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	-	-	-	(2,807)	(2,807)	(3,441)	(6,248)
Total transactions with owners	1,876	(862)	(375)	-	-	-	-	-	(25,524)	(24,885)	(3,404)	(28,289)
At 31 March 2012	378,663	4,033	162,010	25,786	2,266	-	(222)	78	420,114	992,728	96,872	1,089,600

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

These figures have not been audited

	-----Attributable to owners of the Company -----							Non- controlling interests RM'000	Total equity RM'000	
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserves RM'000	Treasury shares RM'000	Available- for-sale reserve RM'000	Retained profits RM'000			Total RM'000
At 1 January 2013	387,444	160,254	25,786	(1,561)	(8,573)	54	426,892	990,296	99,607	1,089,903
Net loss for the financial period	-	-	-	-	-	-	(1,553)	(1,553)	(4,837)	(6,390)
Other comprehensive income for the financial period	-	-	-	1,770	-	6	-	1,776	(818)	958
Total comprehensive income/(expense) for the financial period	-	-	-	1,770	-	6	(1,553)	223	(5,655)	(5,432)
Transactions with owners:										
Shares repurchased (including transaction costs)	-	-	-	-	(6,731)	-	-	(6,731)	-	(6,731)
Cash dividends payable to owners of the Company	-	-	-	-	-	-	(19,181)	(19,181)	-	(19,181)
Share dividends distributable to owners of the Company	-	-	-	-	-	-	(12,308)	(12,308)	-	(12,308)
Warrants exercised and expiry of unexercised warrants	-	(8)	(25,786)	-	-	-	25,786	(8)	-	(8)
Acquisition of a new subsidiary	-	-	-	-	-	-	-	-	70,919	70,919
Total contributions by and distributions to owners/ Total transactions with owners	-	(8)	(25,786)	-	(6,731)	-	(5,703)	(38,228)	70,919	32,691
At 31 March 2013	387,444	160,246	-	209	(15,304)	60	419,636	952,291	164,871	1,117,162

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

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Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period To-date Ended 31 March 2013 Unaudited RM'000	Preceding Year Corresponding Financial Period To-date Ended 31 March 2012 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	(2,506)	23,657
Adjustments for non-operating items:		
Depreciation and amortisation	12,399	14,523
Other non-cash items	(1,246)	(462)
Interest expense	4,842	5,424
Interest income	(1,548)	(2,957)
Operating profit before changes in working capital	11,941	40,185
Changes in working capital:		
Net changes in current assets	31,964	40,665
Net changes in current liabilities	(6,295)	44,802
Cash generated from operations	37,610	125,652
Interest received	1,548	2,957
Interest paid	(4,842)	(5,424)
Tax paid	(7,249)	(15,010)
Net cash generated from operating activities	27,067	108,175
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,927)	(5,110)
Prepaid lease payments	-	(3,223)
Purchase of investment properties	(96)	-
Purchase of biological assets	(335)	-
Proceeds from disposal of property, plant and equipment	347	12
Payment for subscription of interest in jointly controlled entities	-	(59,152)
Dividend received from an associated company	-	126
Acquisition of shares in new subsidiaries	(37,184)	-
Net cash used in investing activities	(43,195)	(67,357)
Cash flows from financing activities		
Drawdown of other bank borrowings	200,674	72,614
Repayments of other bank borrowings	(147,764)	(99,096)
Repayment of term loans	-	(5,826)
Payment of hire purchase installments	(2)	(2)
Purchase of treasury shares	(6,731)	-
Acquisition of additional shares in a subsidiary	-	(6,248)
Exercise of warrants net of transaction cost	(8)	-
Deferred payments made to non-controlling interest for the acquisition of additional shares in a subsidiary	(208)	-
Net cash generated from/(used in) financing activities	45,961	(38,558)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Period To-date Ended 31 March 2013 Unaudited RM'000	Preceding Year Corresponding Financial Period To-date Ended 31 March 2012 Unaudited RM'000
Net changes in cash and cash and cash equivalents	29,833	2,260
Currency translation differences	(678)	(7,206)
Cash and cash equivalents at beginning of the financial period	313,709	584,389
Cash and cash equivalents at end of the financial period	<u>342,864</u>	<u>579,443</u>
 Cash and cash equivalents at the end of the financial period comprise of the following:		
Time deposits	183,282	345,600
Cash and bank balances	159,582	233,843
	<u>342,864</u>	<u>579,443</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
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Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2013

These figures have not been audited

NOTES TO INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The interim financial statements are in compliance with IAS 34 "Interim Financial Reporting".

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2012, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS during the current financial period:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 101	Presentation of Financial Instruments

The adoption of the above standards that are applicable from the financial year beginning on 1 January 2013 is not expected to result in any material impact on the financial position and results of the Group and Company except for certain changes in the presentation of the statement of comprehensive income as guided by MFRS 101.

The following MFRS and Amendments to MFRS have been issued by the MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2014

Amendment to MFRS 132 Financial Instruments: Presentation

Effective for annual periods commencing on or after 1 January 2015

MFRS 9 Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities

The Group will undertake an assessment on the impact of the adoption of the Amendment to MFRS 132 and MFRS 9 on its results and financial position.

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2. Qualification of financial statements

The audited financial statements of the preceding financial year were not subject to any qualification.

3. Seasonal or cyclical factors

The Group's operation was not affected by seasonal or cyclical factors.

4. Unusual items

Save for the information disclosed in this financial report, there were no other material items affecting assets, liabilities, equity, net income, or cash flows for the financial period that were unusual due to their nature, size, or incidence.

5. Changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods that had a material effect in the current interim period.

6. Debt and equity securities

During the first quarter of 2013, the Company repurchased 4,062,100 of its issued ordinary shares from the open market (period to-date: 4,062,100). The Company held a total of 8,766,549 treasury shares as at 31 March 2013. 6,970,292 of these treasury shares were distributed on 3 April 2013 to the shareholders on the basis of one (1) treasury share for every one hundred and ten (110) existing Wah Seong Corporation Berhad ordinary shares of RM0.50 held at the entitlement date of 13 March 2013 as special single-tier share dividend.

On 25 March 2013, 500 warrants were exercised to subscribe for new shares of the Company. 135,961,820 warrants which remained unexercised expired on 25 March 2013. These expired warrants were removed from the Official List of Bursa Malaysia Securities with effect from 26 March 2013.

Apart from the above, there were no other issuance and repayment of debt and equity securities, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial period ended 31 March 2013.

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
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7. Dividends

Proposed Dividend

	Year ended 31 December 2012	Year ended 31 December 2011
The Directors declared a second interim dividend comprising:-		
Cash dividend per share	(a) 2.5 sen single tier	3.0 sen Malaysian tax exempt
Share dividend per share	* (b) special single tier share dividend on the basis of 1:110	Nil
Date credited/paid	3 April 2013	2 April 2012

* 6,970,292 treasury shares were distributed to the shareholders on the basis of one (1) WSC share for every one hundred and ten (110) existing WSC ordinary shares of RM0.50 each held at the entitlement date on 13 March 2013 as special single tier share dividend. Based on the share price of WSC shares of RM1.65 each as at 31 December 2012, the value of the share dividend per WSC share is equivalent to a gross dividend of 1.50 sen.

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8. Segment information

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
RESULTS					
<u>Financial period ended 31 March 2013</u>					
Revenue	155,624	78,765	202,538	27,393	464,320
Less: Inter segment revenue	(36,116)	-	(298)	-	(36,414)
External revenue	<u>119,508</u>	<u>78,765</u>	<u>202,240</u>	<u>27,393</u>	<u>427,906</u>
Segment (losses)/profits	(15,127)	13,628	9,433	(4,370)	3,564
Share of results of associates					72
Unallocated expenses relating to financing activities					(2,881)
Unallocated corporate expenses					(3,261)
Loss before tax					<u>(2,506)</u>
TOTAL ASSETS					
<u>As at 31 March 2013</u>					
Segment assets	1,146,187	281,766	342,853	245,450	2,016,256
Investment in associates	101,363	-	4,922	-	106,285
Investment in jointly controlled entities	24,582	-	-	-	24,582
	<u>1,272,132</u>	<u>281,766</u>	<u>347,775</u>	<u>245,450</u>	<u>2,147,123</u>
Assets of disposal groups held for sale					3,990
Unallocated corporate assets					
- Deferred tax assets					12,267
- Tax recoverable					25,157
- Cash and cash equivalents					72,057
- Others					29,804
Total assets					<u>2,290,398</u>

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8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2013</u>					
Depreciation of:					
- Property, plant and equipment	8,693	938	866	1,237	11,734
- Investment properties	-	-	-	89	89
Amortisation of:					
- Prepaid lease payments	236	2	103	228	569
- Other intangible assets	1	6	-	-	7
Additions of:					
- Property, plant and equipment	3,868	527	224	1,308	5,927
- Biological assets	-	-	-	335	335
- Investment properties	-	-	-	96	96
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
RESULTS					
<u>Financial period ended 31 March 2012</u>					
Revenue	244,997	56,920	170,857	13,033	485,807
Less: Inter segment revenue	-	-	(1,639)	(2,608)	(4,247)
External revenue	<u>244,997</u>	<u>56,920</u>	<u>169,218</u>	<u>10,425</u>	<u>481,560</u>
Segment profits	18,681	8,115	4,116	1,345	32,257
Share of results of associates					(2,159)
Unallocated expenses relating to financing activities					(4,360)
Unallocated corporate expenses					(2,081)
Profit before tax					<u>23,657</u>
TOTAL ASSETS					
<u>As at 31 March 2012</u>					
Segment assets	1,355,585	240,844	282,906	49,852	1,929,187
Investment in associates	-	-	13,868	-	13,868
Investment in jointly controlled entities	31,953	-	-	47,700	79,653
	<u>1,387,538</u>	<u>240,844</u>	<u>296,774</u>	<u>97,552</u>	<u>2,022,708</u>
Assets of disposal groups held for sale					8,298
Unallocated corporate assets					
- Deferred tax assets					10,161
- Tax recoverable					13,575
- Cash and cash equivalents					242,886
- Others					447
Total assets					<u>2,298,075</u>

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8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2012</u>					
Depreciation of:					
- Property, plant and equipment	12,258	902	747	245	14,152
- Investment properties	-	-	8	27	35
Amortisation of:					
- Prepaid lease payments	195	2	100	7	304
- Other intangible assets	26	6	-	-	32
Additions of:					
- Property, plant and equipment	4,520	483	83	24	5,110
- Prepaid lease payments	20,959	-	-	-	20,959
	<u>20,959</u>	<u>483</u>	<u>83</u>	<u>24</u>	<u>20,959</u>

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9. Events subsequent to the balance sheet date

There were no material subsequent events since the end of the current quarter until a date not earlier than 7 days from the date of issuance of this quarterly report.

10. Effects of changes in the composition of the Group during the current quarter

- (i) On 31 January 2013, the Company announced the completion of Stage 2 of the Proposed Subscriptions following a cash payment of USD9,300,000 (equivalent to RM28,671,900) by its wholly-owned subsidiary, WS Agro Industries Pte. Ltd. ("WS Agro") for the subscription and allotment of an additional 16,000 Atama Resources Inc. ("ARI") Shares.

With the completion of Stage 2 of the Proposed Subscriptions, the Group's effective equity interest in WS Agro increased to 51%. Accordingly, ARI became an indirect subsidiary of the Company with effect from 31 January 2013.

- (ii) Further to the announcements made on 8 November 2012 and 22 February 2013, the Company had on 4 March 2013 announced the completion of the Proposed Acquisition of 51.49% equity interest in Spirolite (M) Sendirian Berhad ("Spirolite") by Syn Tai Hung Trading Sdn Bhd ("STHT"), an indirect wholly owned subsidiary of the Company ("Proposed Acquisition of Sale Shares").

With the completion of this Proposed Acquisition of Sale Shares, the Company's effective equity interest in Spirolite increased to 100%. Accordingly, Spirolite became an indirect wholly owned subsidiary of the Company from that date thereon.

11. Status of corporate proposals

Except as disclosed below, there are no other corporate proposals announced but not completed as at 23 May 2013, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

Arabian-Yadong Coating Co. Ltd.

The Company had on 26 January 2011 and 31 January 2011 announced the proposed disposal of its indirect equity interest in Arabian-Yadong Coating Co. Ltd. The completion of the proposed disposal is awaiting full satisfaction of the conditions precedent in the said proposal.

PMT Shinko Turbine Sdn Bhd

The Company had on 22 April 2013 and 25 April 2013 announced that PMT Industries Sdn. Bhd. ("PMTI"), a wholly owned subsidiary of the Company, has entered into a joint venture agreement ("JV Agreement") with Shinko Ind. Ltd. ("Shinko") (refer to note 9(i)). The subscription of 490,000 in the proposed JV Company by PMT is expected to be completed within three (3) months from the date of the JV Agreement.

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12. Capital commitments

Capital commitments not provided for in the interim report:

	As at 31 March 2013 RM'000
Approved and contracted for	<u>39,605</u>
Approved but not contracted for	<u>56,231</u>

13. Operating lease commitments

Total future minimum lease payments under operating leases are as follows:

	As at 31 March 2013 RM'000
Payable not later than one year	<u>4,373</u>
Payable later than one year and not later than five years	<u>2,835</u>

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Other information required by Bursa Malaysia Securities Berhad Main Market Listing Requirements

14. Review of performance of operating segments for the current quarter and financial period ended 31 March 2013

Oil & Gas Segment

The Oil & Gas Segment's external revenue for the first quarter ended 31 March 2013 was RM119.5 million compared with RM245.0 million in the corresponding period in 2012, a decrease of 51.2%. As the segment is predominantly project based, the commencement of projects which are mainly anticipated to be in the second half of the current financial year has impacted revenue recognised in the first quarter.

This decrease in revenue together with the lower margin on current projects has resulted in the segment recording a loss before taxation of RM15.1 million in the current quarter ended 31 March 2013 compared with a profit before taxation of RM18.7 million in the corresponding period in 2012.

Renewable Energy Segment

The Renewable Energy Segment's external revenue and profit before taxation for the first quarter ended 31 March 2013 were RM78.8 million and RM13.6 million respectively compared with RM56.9 million and RM8.1 million in the corresponding periods in 2012, representing an increase of 38.4% and 67.9% respectively.

The buoyant regional agro-based sector and the oleochemical/oil & gas markets have resulted in an increase in number of projects executed by the segment during the period under review which contributed to the increase in profit before taxation.

Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue and profit before taxation for the first quarter ended 31 March 2013 were RM202.2 million and RM9.4 million respectively, compared with RM169.2 million and RM4.1 million in the corresponding period in 2012, representing an increase of 19.5% and 129.2% respectively.

The vibrant construction industry has contributed to the increase in revenue. The increase in profitability reflected the increase in revenue and recognition of excess of fair value of business acquired over the cash consideration paid.

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Other information required by Bursa Malaysia Securities Berhad Main Market Listing Requirements (continued)

15. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The Group recorded a loss before taxation of RM2.5 million compared with a profit before taxation of RM9.7 million in the previous quarter. The results of the current quarter were affected by lower revenue generated in the Oil & Gas Segment.

16. Current period prospects

The Group's current order book amounted RM1.5 billion comprising RM1,035.9 million for Oil & Gas Segment, RM276.6 million for Renewable Energy Segment and RM171.2 million for Industrial Trading & Services Segment. This order book together with a number of potential opportunities that the Group is tracking at the moment is expected to have a positive impact on the financial years ending 31 December 2013 and 2014.

17. (Loss)/profit before tax

	Current Quarter Ended 31 March 2013 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2012 RM'000	Current Period To-date Ended 31 March 2013 RM'000	Preceding Year Corresponding Period To-date Ended 31 March 2012 RM'000
(Loss)/profit before tax is stated after charging/(crediting) the following items:				
Interest income	(1,548)	(2,957)	(1,548)	(2,957)
Depreciation and amortisation	12,399	14,523	12,399	14,523
Allowance for impairment on receivables	1,465	1,078	1,465	1,078
Provision for and write-off of inventories - net	227	180	227	180
Impairment loss on amount due from an associate	-	2,184	-	2,184
Negative goodwill arising from the acquisition of new subsidiaries	3,525	-	-	-
Net foreign exchange loss	2,623	104	2,623	104

Save as disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Group.

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18. Taxation

Taxation comprises the following:

	Current Quarter Ended 31 March 2013 RM'000	Financial Period Ended 31 March 2013 RM'000
Tax expense		
- Malaysian tax	1,498	1,498
- Foreign tax	2,386	2,386
	<u>3,884</u>	<u>3,884</u>

The effective tax rate of the Group varies from the statutory tax rate mainly due to the following:

	Current Quarter Ended 31 March 2013 RM'000	Financial Period Ended 31 March 2013 RM'000
Profit before tax	<u>(2,506)</u>	<u>(2,506)</u>
Tax expense at the statutory tax rate – 25%	(627)	(627)
Effects arising from certain subsidiaries which are not subjected to tax or enjoy tax exemption incentives	(1,116)	(1,116)
Other tax adjustments	5,608	5,608
Under provision in prior year	19	19
Taxation	<u>3,884</u>	<u>3,884</u>

19. Profit forecast

The Group did not issue any profit forecast for the current quarter.

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20. Group borrowings and debt securities

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptances	-	91,378	91,378
Revolving credits	-	345,737	345,737
Term loans	-	112,703	112,703
Hire purchase liabilities	8	-	8
Sub-total	<u>8</u>	<u>549,818</u>	<u>549,826</u>
Long term borrowings			
Term loans	-	190,050	190,050
Hire purchase liabilities	15	-	15
Sub-total	<u>15</u>	<u>190,050</u>	<u>190,065</u>
Total borrowings	<u>23</u>	<u>739,868</u>	<u>739,891</u>

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	111,862
US Dollar	628,029
	<u>739,891</u>

21. Financial instruments

Gains and losses arising from fair value changes in financial assets and liabilities

The fair value gains and losses arising from fair value changes in financial assets and liabilities during the current quarter and financial period ended 31 March 2013 are as follows:

	Current quarter and cumulative period-to-date RM'000	Preceding year corresponding quarter and cumulative period- to-date RM'000
Forward foreign currency contracts		
Balance as at -1 January	472	(3,808)
Fair value gain/(loss) recognised in:		
- profit or loss	(1,809)	4,257
- other comprehensive income	(13)	74
Balance as at 31 March	<u>(1,350)</u>	<u>523</u>

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21. Financial instruments (continued)

Gains and losses arising from fair value changes in financial assets and liabilities (continued)

	Forward foreign currency contracts	
	31 March 2013 RM'000	31 March 2012 RM'000
Represented by:		
Derivative financial assets	-	633
Derivative financial liabilities	(1,350)	(110)
	<u>(1,350)</u>	<u>523</u>

The above fair values represent an estimated valuation derived from market quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions.

22. Material litigation

Save as disclosed below, there were no material litigations pending or changes to the status of material litigations since the last annual balance sheet date up to 23 May 2013:

On 17 December 2008, Socotherm S.p.A. ("Socotherm") commenced a Request for Arbitration against the Company and its indirect wholly-owned subsidiary, Wasco Coatings Limited ("WCL").

At the relevant time, Socotherm and WCL were shareholders of PPSC Industrial Holdings Sdn. Bhd. ("PPSCIH"), an investment holding company where Socotherm held 32.52% and WCL held 67.48% in the total paid-up capital of PPSCIH. PPSCIH in turn held 78.00% of the paid-up capital of Wasco Coatings Malaysia Sdn. Bhd. ("WCM") (formerly known as PPSC Industries Sdn. Bhd.), a company principally involved in the coating of pipes for the oil and gas industry. In October 2009, WCL acquired Socotherm's 32.52% interest in PPSCIH and currently, PPSCIH holds 70% of the paid-up capital of WCM.

Socotherm alleged that the transfer of 25,508,858 shares in PPSCIH ("PPSCIH Shares") from the Company to WCL, as part of an internal restructuring, is in breach of the Joint Venture Agreement dated 16 December 1991 ("JVA") and Supplemental Agreement dated 14 July 1997 ("SA") (collectively known as the "said Agreements") and that the Company and WCL have breached certain territorial limit provisions under the said Agreements. Socotherm is seeking for an order for damages to be assessed by the Arbitral Tribunal for the breach of the territorial limits provisions and the transfer of shares.

On 24 February 2009, WCM commenced a Request for Arbitration against Socotherm, which is consolidated as a counter-claim in the above-mentioned arbitration. WCM alleged that the Respondent has also breached certain territorial limit provisions under the said Agreements arising from its activities in the extended territories as defined in the SA which directly competes with WCM's activities in those territories, in particular Vietnam, India, Australia, Indonesia and China.

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22. Material litigation (continued)

A partial award was received from the Arbitral Tribunal concerning only the issue of liability of the parties to the two arbitral proceedings to each other under the various claims and counterclaims. The Arbitral Tribunal inter alios held that:

- The Company and WCL were in breach of certain provisions on transfer of PPSCIH shares. However, Socotherm's claim for a re-transfer of the PPSCIH Shares for breach is dismissed.
- The Company and WCL are liable to Socotherm for breach of certain provisions in the JVA and the SA respectively that placed certain territorial limits under the JVA and the SA on the pipe-coating services that could be provided and on the sale of pipe-coating plants.
- WCM is liable to pay Socotherm a fee of 5% on the net profit on projects procured within the countries defined in the SA.
- Socotherm is liable to WCM for the breach of the territorial restrictions in the SA in respect of certain projects undertaken by Socotherm in Vietnam and China.
- WCM's claims against Socotherm for breach of the territorial restrictions in the SA in respect of certain projects undertaken by Socotherm in India, Indonesia and Australia were dismissed.
- Costs of the proceedings are reserved.

The consolidated arbitral proceedings will proceed to the next phase for the determination of the compensation payable by the parties to each other in respect of the findings on liability as described above.

The next phase of the arbitral proceedings is currently in progress. The Directors are unable to ascertain the impact of the award at this point on compensation payable by each party.

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23. (Loss)/earnings per share (EPS)

Basic and diluted (loss)/earnings per share

The basic and diluted (loss)/earnings per share for the current quarter and current financial period have been computed based on net (loss)/profit attributable to the owners of the Company for the financial quarter/period divided by the weighted average number of ordinary shares of RM0.50 each in issue after adjusting for movements in treasury shares during the financial quarter/period:

	Current Quarter Ended		Financial Period Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Net (loss)/profit attributable to the owners of the Company (RM'000)	<u>(1,553)</u>	<u>17,784</u>	<u>(1,553)</u>	<u>17,784</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>773,034</u>	<u>772,143</u>	<u>773,034</u>	<u>772,143</u>
Basic (loss)/earnings per share (sen)	<u>(0.20)</u>	<u>2.30</u>	<u>(0.20)</u>	<u>2.30</u>

24. Contingent liabilities

There were no contingent liabilities arising since the last annual audited balance sheet date.

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25. Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	446,461	423,987
- Unrealised losses	(21,547)	(2,158)
Total share of retained profits from associates		
- Realised gains	7,519	8,731
- Unrealised losses	(158)	(1,442)
Total share of retained profits from jointly controlled entities		
- Realised gains	2,219	3,469
- Unrealised gains	2	5
	<hr/> 434,496	<hr/> 432,592
Consolidation adjustments	<hr/> (14,860)	<hr/> (5,700)
Total group retained profits as per consolidated financial statements	<hr/> 419,636	<hr/> 426,892

By Order of the Board

Woo Ying Pun
Company Secretary

Kuala Lumpur