

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
 Stock name : WASEONG
 Financial Period Ended : 30 September 2013
 Quarter : 3

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2013

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30 September 2013 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 September 2012 Unaudited RM'000	Current Period To-date Ended 30 September 2013 Unaudited RM'000	Preceding Year Corresponding Period-To-date Ended 30 September 2012 Unaudited RM'000
Gross revenue	415,374	482,613	1,284,787	1,487,732
Cost of sales	(352,721)	(432,226)	(1,104,914)	(1,290,727)
Gross profit	62,653	50,387	179,873	197,005
Other operating income	9,509	12,451	30,754	32,520
Selling and distribution expenses	(4,567)	(9,181)	(18,782)	(22,356)
Administrative and general expenses	(51,433)	(41,373)	(152,655)	(125,088)
Other (losses)/gains - net	1,450	821	(935)	3,236
Finance costs	(5,028)	(5,254)	(14,406)	(16,192)
Share of results of associates and jointly controlled entities	(1,536)	7,067	287	3,704
Profit before tax	11,048	14,918	24,136	72,829
Taxation	(7,450)	(8,534)	(16,713)	(16,166)
Net profit for the financial period	3,598	6,384	7,423	56,663
Net profit attributable to:				
- Owners of the Company	4,281	9,473	11,698	47,301
- Non-controlling interests	(683)	(3,089)	(4,275)	9,362
	3,598	6,384	7,423	56,663

Earnings per share				
- Basic earnings per share (sen)	0.56	1.22	1.52	6.19
- Diluted earnings per share (sen)	0.56	1.22	1.52	6.19

(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 30 September 2013 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 September 2012 Unaudited RM'000	Current Period To-date Ended 30 September 2013 Unaudited RM'000	Preceding Year Corresponding Period-To-date Ended 30 September 2012 Unaudited RM'000
Net profit for the financial period	3,598	6,384	7,423	56,663
Other comprehensive income/(expenses), net of tax:				
Available-for-sale financial assets				
-Fair value (losses)/gains	(6)	(10)	4	(22)
-Transfer to profit or loss	-	-	(40)	(13)
Foreign currency translation differences for foreign operations	9,921	(10,779)	16,707	(7,829)
	<u>9,915</u>	<u>(10,789)</u>	<u>16,671</u>	<u>(7,864)</u>
Total comprehensive income for the financial period	<u>13,513</u>	<u>(4,405)</u>	<u>24,094</u>	<u>48,799</u>
Total comprehensive income attributable to:				
- Owners of the Company	10,802	(1,464)	24,453	39,327
- Non-controlling interests	2,711	(2,941)	(359)	9,472
	<u>13,513</u>	<u>(4,405)</u>	<u>24,094</u>	<u>48,799</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 30 September 2013 Unaudited RM'000	As at 31 December 2012 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	682,108	478,400
Prepaid lease payments	176,011	97,107
Biological assets	12,653	-
Investment properties	10,094	11,253
Investment in associates	147,402	114,655
Investment in jointly controlled entities	25,140	71,764
Available-for-sale financial assets	1,074	1,142
Derivative financial assets	109	61
Goodwill	115,577	109,886
Other intangible assets	50	68
Deferred tax assets	13,136	10,498
	1,183,354	894,834
Current Assets		
Inventories	226,707	251,324
Amounts due from customers on contracts	78,316	55,251
Trade and other receivables	494,036	578,286
Amounts owing by associates	1,419	1,442
Amounts owing by jointly controlled entities	42,336	52,560
Tax recoverable	28,817	23,490
Derivative financial assets	203	472
Time deposits	183,864	155,229
Cash and bank balances	172,843	158,480
	1,228,541	1,276,534
Assets of disposal groups held for sale	4,174	3,990
TOTAL ASSETS	2,416,069	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	11,281	(1,561)
Treasury shares	(6,516)	(8,573)
Available-for-sale reserve	18	54
Retained profits	417,582	426,892
Equity attributable to owners of the Company	970,055	990,296
Non-controlling interests	168,362	99,607
TOTAL EQUITY	1,138,417	1,089,903

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	As at 30 September 2013 Unaudited RM'000	As at 31 December 2012 Audited RM'000
LIABILITIES		
Non-Current and Deferred Liabilities		
Hire purchase liabilities	-	17
Term loans	95,414	219,868
Deferred tax liabilities	10,720	6,497
Other liabilities	3,190	3,279
	<u>109,324</u>	<u>229,661</u>
Current Liabilities		
Amounts due to customers on contracts	50,584	61,232
Trade and other payables	366,351	313,019
Amounts owing to jointly controlled entities	3,144	2,901
Amounts owing to associates	603	-
Derivative financial liabilities	721	-
Provision for warranties	13,271	10,526
Hire purchase liabilities	-	8
Term loans	180,903	81,662
Other bank borrowings	531,194	382,917
Current tax liabilities	5,485	3,529
Dividend payable	16,072	-
	<u>1,168,328</u>	<u>855,794</u>
TOTAL LIABILITIES	<u>1,277,747</u>	<u>1,085,455</u>
TOTAL EQUITY AND LIABILITIES	<u>2,416,069</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)

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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	-	-	-	-	-	-	-	-	47,301	47,301	9,362	56,663
Other comprehensive income/(expense) for the financial period	-	-	-	-	(7,939)	-	-	(35)	-	(7,974)	110	(7,864)
Total comprehensive income for the financial period	-	-	-	-	(7,939)	-	-	(35)	47,301	39,327	9,472	48,799
Transactions with owners:												
Shares purchased (including transaction costs)	-	-	-	-	-	-	(5,603)	-	-	(5,603)	-	(5,603)
Issuance of shares:												
- conversion of ICULS	8,526	(4,895)	-	-	-	-	-	-	-	3,631	-	3,631
- bonus shares arising from conversion of ICULS	2,131	-	(2,131)	-	-	-	-	-	-	-	-	-
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(43,470)	(43,470)	-	(43,470)
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	-	-	-	(176)	(176)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	37	37
Total contributions by and distributions to owners	10,657	(4,895)	(2,131)	-	-	-	(5,603)	-	(43,470)	(45,442)	(139)	(45,581)

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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)	(3,525)	(6,332)
Issue of shares to non-controlling interest and the effects of dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	160	160	5,107	5,267
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	-	-	-	(2,647)	(2,647)	1,582	(1,065)
Total transactions with owners	10,657	(4,895)	(2,131)	-	-	-	(5,603)	-	(46,117)	(48,089)	1,443	(46,646)
At 30 September 2012	387,444	-	160,254	25,786	(1,467)	-	(5,825)	42	429,038	995,272	104,573	1,099,845

(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 profit/(loss) for the financial period	-	-	-	-	-	-	11,698	11,698	(4,275)	7,423
Other comprehensive income/(expense) for the financial period	-	-	-	12,791	-	(36)	-	12,755	3,916	16,671
Total comprehensive income/(expense) for the financial period	-	-	-	12,791	-	(36)	11,698	24,453	(359)	24,094
Transactions with owners:										
Shares purchased (including transaction costs)	-	-	-	-	(10,251)	-	-	(10,251)	-	(10,251)
Cash dividends paid to owners of the Company	-	-	-	-	-	-	(34,605)	(34,605)	-	(34,605)
Share dividends distributed to owners of the Company	-	-	-	-	12,308	-	(12,308)	-	-	-
Warrants exercised and expiry of unexercised warrants	-	(8)	(25,786)	-	-	-	25,786	(8)	-	(8)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,644)	(1,644)
Acquisition of a new subsidiary	-	-	-	-	-	-	-	-	70,919	70,919
Total contributions by and distributions to owners	-	(8)	(25,786)	-	2,057	-	(21,217)	(44,864)	69,275	24,411

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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	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	Non-controlling interests RM'000	Total equity RM'000
Disposal of subsidiaries that did not result in a loss of control	-	-	-	51	-	-	119	170	(161)	9
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	51	-	-	119	170	(161)	9
Total transactions with owners	-	(8)	(25,786)	51	2,057	-	(21,098)	(44,694)	69,114	24,420
At 30 September 2013	387,444	160,246	-	11,281	(6,516)	18	417,582	970,055	168,362	1,138,417

(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 CASH FLOWS

	Current Period To-date Ended 30 September 2013 Unaudited RM'000	Preceding Year Corresponding Period To-date Ended 30 September 2012 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	24,136	72,829
Adjustments for non-operating items:		
Depreciation and amortisation	38,394	44,131
Other non-cash items	14,120	(2,004)
Interest expense	14,406	16,192
Interest income	(4,168)	(8,483)
Operating profit before changes in working capital	86,888	122,665
Changes in working capital:		
Net changes in current assets	110,303	(70,666)
Net changes in current liabilities	46,620	65,910
Cash generated from operations	243,811	117,909
Interest received	4,168	8,483
Interest paid	(14,406)	(16,192)
Tax paid	(21,130)	(38,931)
Net cash generated from operating activities	212,443	71,269
Cash flows from investing activities		
Purchase of property, plant and equipment	(158,090)	(24,696)
Prepaid lease payments	(5,589)	(8,822)
Purchase of investment properties	(68)	(184)
Purchase of biological assets	(5,294)	-
Proceeds from disposal of property, plant and equipment	609	373
Proceeds from disposal of available-for-sale-financial assets	142	15
Proceeds from disposal of assets held for sale	-	4,636
Payment for subscription of interest in jointly controlled entities	-	(59,152)
Dividend received from an associated company	577	377
Dividend received from jointly controlled entities	-	10,081
Acquisition of shares in new subsidiaries	(37,184)	-
Subscription of shares in an associate company	(33,178)	(96,936)
Net cash used in investing activities	(238,075)	(174,308)
Cash flows from financing activities		
Drawdown of other bank borrowings	356,538	375,289
Repayments of other bank borrowings	(227,404)	(388,348)
Repayment of term loans	(38,506)	(24,203)
Payment of hire purchase installments	(25)	(5)
Purchase of treasury shares	(10,251)	(5,603)
Acquisition of additional shares in a subsidiary	-	(5,706)
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)	-
Dividends paid to non-controlling interests of subsidiaries	(1,644)	(176)
Dividends paid to equity holders of the Company	(19,181)	(22,717)
Net cash generated from/(used in) financing activities	59,311	(71,469)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Period To-date Ended 30 September 2013 Unaudited RM'000	Preceding Year Corresponding Period To-date Ended 30 September 2012 Unaudited RM'000
Net changes in cash and cash and cash equivalents	33,679	(174,508)
Currency translation differences	9,319	(4,630)
Cash and cash equivalents within assets of disposal groups held for sale	-	(3,600)
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>356,707</u>	<u>401,651</u>
 Cash and cash equivalents at the end of the financial period comprise of the following:		
Time deposits	183,864	214,483
Cash and bank balances	172,843	187,168
	<u>356,707</u>	<u>401,651</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)

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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 has no 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 third quarter of 2013, the Company purchased 399,100 of its issued ordinary shares from the open market (period to-date: 6,117,700). On 3 April 2013, 6,970,292 treasury shares were distributed 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. As at 30 September 2013, the Company held 3,851,857 treasury shares.

On 25 March 2013, 500 warrants were exercised to subscribe for new ordinary shares of the Company. 135,961,820 warrants which remained unexercised, had 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 30 September 2013.

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7. Dividends

(a) On 26 February 2013, the Directors declared a second interim dividend in respect of financial year ended 31 December 2012 comprising:-

- Single tier cash dividend of 2.5 sen per share; and
- Special single tier share dividend of 6,970,292 treasury shares distributed to the shareholders of Wah Seong Corporation Berhad ("WSC") 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. 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 was equivalent to a gross cash dividend of 1.50 sen per share.

The second interim dividend was paid / credited into the entitled shareholders' securities accounts on 3 April 2013.

(b) (i) On 22 August 2013, the Directors declared a first interim single tier cash dividend of 2.00 sen per share in respect of financial year ending 31 December 2013. The entitlement and payment dates were on 9 September 2013 and 3 October 2013 respectively.

(ii) For the previous year's corresponding period, a first interim cash dividend of 3.0 sen per share comprising gross dividend of 1.25 sen per share less 25% Malaysian income tax and Malaysian tax exempt dividend of 1.75 sen per share in respect of financial year ended 31 December 2012 was paid on 3 October 2012.

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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>Plantation</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
RESULTS						
<u>Financial period ended 30 September 2013</u>						
Revenue	498,559	250,699	473,085	-	103,376	1,325,719
Less: Inter segment revenue	(37,909)	(402)	(2,621)	-	-	(40,932)
External revenue	<u>460,650</u>	<u>250,297</u>	<u>470,464</u>	<u>-</u>	<u>103,376</u>	<u>1,284,787</u>
Segment (losses)/profits	1,652	45,864	2,964	(12,793)	5,404	43,091
Share of results of associates						1,863
Unallocated expenses relating to financing activities						(8,979)
Unallocated corporate expenses						(11,839)
Profit before tax						<u>24,136</u>
TOTAL ASSETS						
<u>As at 30 September 2013</u>						
Segment assets	1,273,212	286,683	264,379	163,903	114,210	2,102,387
Investment in associates	142,468	-	4,934	-	-	147,402
Investment in jointly controlled entities	25,140	-	-	-	-	25,140
	<u>1,440,820</u>	<u>286,683</u>	<u>269,313</u>	<u>163,903</u>	<u>114,210</u>	<u>2,274,929</u>
Assets of disposal groups held for sale						4,174
Unallocated corporate assets						
- Deferred tax assets						13,136
- Tax recoverable						28,817
- Cash and cash equivalents						65,609
- Others						29,404
Total assets						<u>2,416,069</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>Plantation</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION						
<u>Financial period ended 30 September 2013</u>						
Depreciation of:						
- Property, plant and equipment	25,244	2,895	2,881	3,446	1,672	36,138
- Investment properties	-	-	-	-	286	286
Amortisation of:						
- Prepaid lease payments						
- Other intangible assets	707	5	308	933	-	1,953
	1	16	-	-	-	17
Additions of:						
- Property, plant and equipment	98,333	2,160	2,123	5,686	49,788	158,090
- Biological assets	-	-	-	5,294	-	5,294
- Investment properties	-	-	-	-	68	68
	<u> </u>	<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>Plantation</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
RESULTS						
<u>Financial period ended 30 September 2012</u>						
Revenue	684,154	207,189	526,902	-	75,405	1,493,650
Less: Inter segment revenue	(224)	-	(3,004)	-	(2,690)	(5,918)
External revenue	<u>683,930</u>	<u>207,189</u>	<u>523,898</u>	<u>-</u>	<u>72,715</u>	<u>1,487,732</u>
Segment profits	42,961	28,272	7,181	(2,790)	8,481	84,105
Share of results of associates						6,598
Unallocated expenses relating to financing activities						(12,294)
Unallocated corporate expenses						(5,580)
Profit before tax						<u>72,829</u>
TOTAL ASSETS						
<u>As at 30 September 2012</u>						
Segment assets	1,300,877	290,253	294,233	-	71,732	1,957,095
Investment in associates	104,440	-	13,498	-	-	117,938
Investment in jointly controlled entities	24,997	-	-	45,814	-	70,811
	<u>1,430,314</u>	<u>290,253</u>	<u>307,731</u>	<u>45,814</u>	<u>71,732</u>	<u>2,145,844</u>
Assets of disposal groups held for sale						28,667
Unallocated corporate assets						
- Deferred tax assets						10,421
- Tax recoverable						23,522
- Cash and cash equivalents						117,901
- Others						1,111
Total assets						<u>2,327,466</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>Plantation</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION						
<u>Financial period ended 30 September 2012</u>						
Depreciation of:						
- Property, plant and equipment	36,710	2,774	2,350	-	688	42,522
- Investment properties	-	-	25	-	154	179
Amortisation of:						
- Prepaid lease payments	666	5	308	-	-	979
- Other intangible assets	434	17	-	-	-	451
Additions of:						
- Property, plant and equipment	18,866	4,150	702	-	978	24,696
- Prepaid lease payments	20,958	-	-	-	-	20,958
- Investment properties	-	-	-	-	5,510	5,510
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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

On 13 September 2013, Wasco Energy Ltd, a wholly-owned subsidiary of the Company, had disposed of 2,800 ordinary shares of A\$1.00 each, representing 40% equity interest in the issued and paid-up share capital of its wholly-owned subsidiary, Wasco (Australia) Pty Ltd ("WASCOA") for a total cash consideration of A\$2,800 (approximately RM8,500) to MAD Enterprises Pty Ltd, a company incorporated in Australia. The effects of this transaction are disclosed in the condensed consolidated statement of changes in equity.

11. Status of corporate proposals

Except as disclosed below, there are no other corporate proposals announced but not completed as at 19 November 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"). The subscription of 490,000 shares in the proposed JV Company by PMTI was expected to be completed within three (3) months from the date of the JV Agreement.

On 22 October 2013, the Company had announced that the expected completion date for the subscription of 490,000 shares in the enlarged issued and paid-up share capital of the proposal JV Company by PMTI has been extended to 22 January 2014.

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12. Capital commitments

Capital commitments not provided for in the interim report:

	As at 30 September 2013 RM'000
Approved and contracted for	<u>52,752</u>
Approved but not contracted for	<u>42,912</u>

13. Operating lease commitments

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

	As at 30 September 2013 RM'000
Payable not later than one year	<u>2,794</u>
Payable later than one year and not later than five years	<u>2,296</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 30 September 2013

Oil & Gas Segment

The Oil & Gas Segment's external revenue for the third quarter and financial period ended 30 September 2013 were RM169.4 million and RM460.7 respectively, compared with RM187.8 million and RM683.9 million in the corresponding periods in 2012, representing a decrease of 9.8% and 32.6%. Although the segment has a healthy order book, execution of these orders are only commencing in the last quarter of this financial year. This has affected the quantum of revenue recognised in the period under review.

In the third quarter ended 30 September 2013, the segment recorded a profit before taxation of RM11.7 million compared with a loss of RM3.1 million in the corresponding period in 2012. This improvement is a reflection of work on projects with better margin commencing in the third quarter of this year.

In the nine months period ended 30 September 2013, the segment recorded a profit before taxation of RM1.7 million compared with RM43.0 million in the corresponding period in 2012. These changes were a direct result of lower revenue recognised in the nine months period ended 30 September 2013 and the results were further impacted as the revenue recognised in the early part of this period were generally from lower margin projects.

Renewable Energy Segment

The Renewable Energy Segment's external revenue for the third quarter and financial period ended 30 September 2013 were RM80.8 million and RM250.3 million respectively compared with RM77.5 million and RM207.2 million in the corresponding periods in 2012, representing an increase of 4.3% and 20.8% respectively. In the same periods, profit before taxation were RM15.3 million and RM45.9 million respectively compared with RM9.7 million and RM28.3 million in the corresponding periods in 2012, representing an increase of 57.7% and 62.2% respectively.

These increases in revenue and profit before taxation were a direct result of increase in the number of projects being executed by this segment arising from a buoyant regional oleochemical and local oil & gas markets.

Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the third quarter and financial period ended 30 September 2013 were RM125.9 million and RM470.5 million respectively compared with RM181.4 million and RM523.9 million in the corresponding periods in 2012, representing a decrease of 30.5% and 10.2% respectively. The revenue decreases was the result of the trading business changing its product mix to focus on high margin, low volume products.

The segment recorded a loss before taxation of RM3.8 million in the third quarter ended 30 September 2013 compared with RM0.5 million in the corresponding period in 2012. For the nine months period ended 30 September 2013, the segment recorded a profit before taxation of RM3.0 million compared with RM7.2 million in the corresponding period in 2012. The results in the periods under review were affected mainly by a provision for doubtful debts recognised in the trading business.

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

14. Review of performance of operating segments for the current quarter and financial period ended 30 September 2013 (continued)

Plantation

This segment is represented by the plantation company which became an indirect subsidiary of the Company effective February 2013. As the segment is in a development stage, it has not generated any revenue yet. The ongoing operating activities required to develop the palm oil plantation business has resulted in the segment recording a loss before taxation for the third quarter and financial period ended 30 September 2013 of RM4.6 million and RM12.8 million respectively.

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

The Group recorded a profit before taxation of RM11.0 million compared with RM15.6 million in the previous quarter. The result of the current quarter was affected by a provision for doubtful debts recognised in the trading business.

16. Current period prospects

The current order book of the Group is RM1.7 billion comprising RM1.2 billion for Oil & Gas Segment, RM308.0 million for Renewable Energy Segment and RM162.1 million for Industrial Trading & Services Segment. This order book is expected to have a positive impact on the group's performance in the last quarter of the current financial year as well as for the financial year ending 31 December 2014.

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17. Profit before tax

	Current Quarter Ended 30 September 2013 RM'000	Preceding Year Corresponding Quarter Ended 30 September 2012 RM'000	Current Period To-date Ended 30 September 2013 RM'000	Preceding Year Corresponding Period To-date Ended 30 September 2012 RM'000
Profit before tax is stated after charging/(crediting) the following items:				
Interest income	(1,341)	(2,674)	(4,168)	(8,483)
Depreciation and amortisation	13,465	14,156	38,394	44,131
Allowance for impairment on receivables	8,055	3,078	14,092	4,243
Provision for and write-off of inventories - net	274	3,939	1,360	4,127
Impairment loss on amount due from an associate	-	-	-	2,184
Impairment of investment in an associate	-	-	-	1,734
Impairment of investment properties	-	58	-	58
Net foreign exchange (gain)/loss	(4,102)	(4,184)	(684)	(312)
Negative goodwill arising from the acquisition of new subsidiaries	-	-	(3,525)	-
Gain on disposal of properties	-	-	-	(236)
Gain on disposal of available-for-sale financial assets	-	-	-	(6)

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 30 September 2013 RM'000	Financial Period Ended 30 September 2013 RM'000
Tax expense		
- Malaysian tax	6,212	10,884
- Foreign tax	1,238	5,829
	<u>7,450</u>	<u>16,713</u>

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

	Current Quarter Ended 30 September 2013 RM'000	Financial Period Ended 30 September 2013 RM'000
Profit before tax	<u>11,048</u>	<u>24,136</u>
Tax expense at the statutory tax rate – 25%	2,762	6,034
Effects arising from certain subsidiaries which are not subjected to tax or enjoy tax exemption incentives	(224)	(3,466)
Other tax adjustments	4,801	13,696
Under provision in prior year	111	449
	<u>4,688</u>	<u>10,679</u>
Taxation	<u>7,450</u>	<u>16,713</u>

19. Profit forecast

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

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20. Group's borrowings and debt securities

	Unsecured RM'000	Total RM'000
Short term borrowings		
Bankers' acceptances	3,512	3,512
Revolving credits	76,127	76,127
Trust receipts	451,555	451,555
Term loans	180,903	180,903
Sub-total	<u>712,097</u>	<u>712,097</u>
Long term borrowings		
Term loans	<u>95,414</u>	<u>95,414</u>
Total borrowings	<u>807,511</u>	<u>807,511</u>

The Group's borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	92,250
US Dollar	715,261
	<u>807,511</u>

21. Fair value of financial instruments

The fair value gains and losses arising from fair value changes in financial assets and liabilities during the current quarter and financial period ended 30 September 2013 are as follows:

	Current quarter 2013 RM'000	Cumulative period-to-date 2013 RM'000	Preceding year corresponding quarter 2012 RM'000	Preceding year corresponding cumulative period-to- date 2012 RM'000
Balance as at				
-1 January	-	625	-	(2,105)
-1 July	(1,867)	-	301	-
Fair value gain/(loss) recognised in:				
- profit or loss	1,450	(1,008)	821	3,236
- other comprehensive income	32	(2)	(31)	(40)
Balance as at 30 September	<u>(385)</u>	<u>(385)</u>	<u>1,091</u>	<u>1,091</u>

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21. Fair value of financial instruments (continued)

	30 September 2013 RM'000	30 September 2012 RM'000
Represented by:		
Available-for-sale financial assets carried at fair value	24	80
Derivative financial assets	312	1,011
Derivative financial liabilities	(721)	-
	<u>(385)</u>	<u>1,091</u>

Fair value hierarchy

The table below summarises all financial instruments carried at fair value as at 30 September 2013, based on a hierarchy that reflects the significance of the inputs used in measuring its respective fair values. The levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical financial assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>30 September 2013</u>				
<u>Financial assets</u>				
Available-for-sale financial assets	24	-	-	24
Derivative financial assets	-	312	-	312
	<u>-</u>	<u>312</u>	<u>-</u>	<u>312</u>
<u>Financial liabilities</u>				
Derivative financial liabilities	-	721	-	-
	<u>-</u>	<u>721</u>	<u>-</u>	<u>-</u>

Valuation techniques used to derive Level 2 fair values

The Level 2 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.

There were no changes in valuation techniques during the period.

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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 19 November 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.

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 have concluded and the Group is now awaiting the Arbitral Tribunals decision.

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23. Earnings per share (EPS)

Basic and diluted earnings per share

The basic and diluted earnings per share for the current quarter and current financial period have been computed based on net 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	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Net profit attributable to the owners of the Company (RM'000)	<u>4,281</u>	<u>9,473</u>	<u>11,698</u>	<u>47,301</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>771,294</u>	<u>774,569</u>	<u>770,544</u>	<u>763,998</u>
Basic/diluted earnings per share (sen)	<u>0.56</u>	<u>1.22</u>	<u>1.52</u>	<u>6.19</u>

24. Contingent liabilities

There were no contingent liabilities arising since the last annual audited statement of financial position.

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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 30 September 2013 RM'000	As at 31 December 2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	449,052	423,987
- Unrealised losses	(25,404)	(2,158)
Total share of retained profits from associates		
- Realised gains	11,171	8,731
- Unrealised losses	(2,018)	(1,442)
Total share of retained profits from jointly controlled entities		
- Realised gains	1,904	3,469
- Unrealised gains	(6)	5
	434,699	432,592
Consolidation adjustments	(17,117)	(5,700)
Total group retained profits as per consolidated financial statements	417,582	426,892

By Order of the Board

Woo Ying Pun
Company Secretary

Kuala Lumpur