



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 - W)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2011**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Oct-11 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-10 RM'000	CURRENT YEAR TO DATE 31-Oct-11 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31-Oct-10 RM'000
Continuing operations				
Revenue	8,049	12,279	37,682	40,243
Operating (loss)/profit	(392)	(2,037)	258	(2,340)
Finance costs	(22)	(11)	(91)	(64)
Interest income	50	23	141	134
Fair value gain on forward contract	11	-	30	-
(Loss)/profit before tax	(353)	(2,025)	338	(2,270)
Tax expense	(134)	(181)	(134)	(182)
(Loss)/profit for the period	(487)	(2,206)	204	(2,452)
Other Comprehensive Income				
Foreign currency translation differences for foreign operation	-	2	-	2
Total Comprehensive Income	(487)	(2,204)	204	(2,450)
(Loss)/profit Attributable to :				
Equity holders of the Company	(384)	(2,132)	140	(2,643)
Minority interests	(103)	(74)	64	191
(Loss)/profit for the period	(487)	(2,206)	204	(2,452)
Total Comprehensive Income Attributable to :				
Equity holders of the Company	(384)	(2,130)	140	(2,641)
Minority interests	(103)	(74)	64	191
Total Comprehensive Income for the period	(487)	(2,204)	204	(2,450)
Basic (loss)/profit per ordinary share (sen) - Note 26	(0.43)	(2.37)	0.16	(2.94)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 October 2010 and the accompanying explanatory notes set out on pages 5 to 12 which form an integral part of this interim financial report.



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 - W)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2011

	Note	(Unaudited) As at end of current quarter 31-Oct-11 RM'000	(Audited) As at preceding financial year end 31-Oct-10 RM'000
ASSETS			
Property, plant and equipment	10	44,920	46,240
Total non-current assets		<u>44,920</u>	<u>46,240</u>
Inventories		9,591	11,434
Receivables, deposits and prepayments		5,687	11,371
Current tax assets		407	247
Asset classified as held for sale		-	794
Cash and cash equivalents		9,743	2,902
Total current assets		<u>25,428</u>	<u>26,748</u>
Total Assets		<u><u>70,348</u></u>	<u><u>72,988</u></u>
EQUITY			
Share capital		45,844	45,844
Treasury shares		(896)	(889)
Reserves		17,967	17,827
Total equity attributable to equity holders of the Company		<u>62,915</u>	<u>62,782</u>
Minority interests		963	899
Total Equity		<u><u>63,878</u></u>	<u><u>63,681</u></u>
LIABILITIES			
Bank borrowings	23	479	419
Deferred tax liabilities		87	71
Total non-current liabilities		<u>566</u>	<u>490</u>
Payables and accruals		5,162	8,456
Bank borrowings	23	742	361
Total current liabilities		<u>5,904</u>	<u>8,817</u>
Total liabilities		<u>6,470</u>	<u>9,307</u>
Total equity and liabilities		<u><u>70,348</u></u>	<u><u>72,988</u></u>
Net Asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.70</u>	<u>0.70</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2010 and the accompanying explanatory notes set out on pages 5 to 12 which form an integral part of this interim financial report.



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959-W)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2011

(The figures have not been audited)

	Non-distributable				Distributable		Minority interests	Total Equity
	Attributable to shareholders of the Company							
	Share Capital	Share Premium	Treasury Shares	Exchange Fluctuation Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>12 months ended 31 October 2011 (Unaudited)</u>								
At 1 November 2010	45,844	11,569	(889)	-	6,258	62,782	899	63,681
Total comprehensive income for the period	-	-	-	-	140	140	64	204
Purchase of treasury shares	-	-	(7)	-	-	(7)	-	(7)
At 31 October 2011	45,844	11,569	(896)	-	6,398	62,915	963	63,878
<u>12 months ended 31 October 2010 (Audited)</u>								
At 1 November 2009	45,844	11,569	(888)	41	9,799	66,365	708	67,073
Total comprehensive income for the period	-	-	-	-	(2,643)	(2,643)	191	(2,452)
Struck-off of subsidiary company	-	-	-	(41)	-	(41)	-	(41)
Purchase of treasury shares	-	-	(1)	-	-	(1)	-	(1)
Dividend paid	-	-	-	-	(898)	(898)	-	(898)
At 31 October 2010	45,844	11,569	(889)	-	6,258	62,782	899	63,681

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2010 and the accompanying explanatory notes set out on pages 5 to 12 which form an integral part of this interim financial report.



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959-W)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2011

	RM'000	31-Oct-10 RM'000
Profit/ (loss) before tax from continuing operations	338	(2,270)
Adjustments for		
Non-cash items	3,275	4,777
Non-operating items	(50)	(70)
Operating profit before changes in working capital	3,563	2,437
Changes in working capital		
- Net changes in current assets	7,526	(9,125)
- Net changes in current liabilities	(3,294)	3,691
Interest paid	(91)	(64)
Tax paid	(278)	(183)
Net cash generated from/ (used in) operating activities	7,426	(3,244)
Cash flow from investing activities		
- Purchase of plant and equipment (Note 1)	(1,711)	(3,881)
- Proceeds from disposal of plant and equipment	1,743	73
- Interest received	141	134
Net cash generated from/ (used in) investing activities	173	(3,674)
Cash flow from financing activities		
- Dividend paid	-	(898)
- Repayment of hire purchase obligations	(639)	(210)
- Repayment of term loan	(112)	(315)
- Purchase of own shares	(7)	(1)
Net cash used in financing activities	(758)	(1,424)
Net increase/ (decrease) in cash and cash equivalents	6,841	(8,342)
Cash and cash equivalents at the beginning of financial period	2,902	11,244
Cash and cash equivalents at end of financial period	9,743	2,902

NOTE

Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following :

	RM'000	RM'000
Fixed deposit with licensed banks	-	-
Short term deposit placed with licensed banks	7,350	2,000
Cash and bank balances	2,393	902
	9,743	2,902

Note 1

During the 12 months ended 31 October 2011, the Group acquired plant and equipment with an aggregate cost of RM2,904,000 (12 months ended 31 October 2010: RM2,851,000) of which RM1,711,000 was paid by cash (12 months ended 31 October 2010: RM2,141,000 by cash). The balance of RM1,193,000 was acquired by means of hire purchase (12 months ended 31 October 2010: RM710,000 by means of hire purchase).

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 October 2010 and the accompanying explanatory notes set out on pages 5 to 12 which form an integral part of this interim financial report.



NOTES TO THE INTERIM FINANCIAL REPORT
FOR TWELVE MONTHS ENDED
31 OCTOBER 2011

Part A: Explanatory notes pursuant to Financial Reporting Standards (“FRS”) 134.

1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and the applicable disclosure provision of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2010.

The preparation of an interim financial report in conformity with FRS134, Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of polices and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The following notes explain the 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 October 2010. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with FRS.

2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 October 2010 except for the adoption of the following:

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 November 2010

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS7	Financial Instruments: Disclosures
Amendments to FRS 101	Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate



NOTES TO THE INTERIM FINANCIAL REPORT
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Amendments to FRS 132	Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation - Separation of Compound Instruments
Amendments to FRS 139	Financial Instruments: Recognition and Measurement - Reclassification of Financial Assets
Improvement to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 March 2010

Amendments to FRS 132 Financial instruments: Presentation Classification of Right Issues

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standard (revised)
FRS 3	Business Combination (revised)
FRS 127	Consolidation and Separate Financial Statement (revised)
Amendments to FRS 5	Non-current Assets Held for sale and Discontinued Operations
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The adoption of above standards, amendments and interpretations do not have significant impact on the financial statements of the Group, other than as explained below:

a) FRS 101 Presentation of Financial Statement (revised)

The revised new FRS101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present this statement as a single statement.

This is a disclosure standard with no impact on the financial performance and position of the Group.



NOTES TO THE INTERIM FINANCIAL REPORT
FOR TWELVE MONTHS ENDED
31 OCTOBER 2011

b) FRS 117 Leases

FRS 117 clarifies that the default classification of the land element in a land and building lease is no longer an operating lease. As a result, lease of land should be classified as finance or operating, using the principles of FRS 117. The Group has reassessed and determined that all leasehold land of the Group are in substance finance lease and has reclassified the leasehold land to property, plant and equipment. This change in accounting policy has been made retrospectively in accordance with the transitional provisions of this FRS amendment. The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	As stated RM'000	31 October 2010 As previously stated RM'000
Carrying amount		
Property, Plant and Equipment	46,240	42,191
Prepaid lease payments	-	4,049

3. Audit qualification

There were no qualifications on the audit report of the financial statements for the financial year ended 31 October 2010.

4. Seasonal or cyclical factors

Generally, the Group would perform better in the second half of the financial year due to higher seasonal demand from multinational customers towards the end of the calendar year.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period under review.

6. Changes in estimates

There was no material changes in the estimates used for the preparation of this interim financial report, except for the group have revised the estimated useful life of the ERP system. The directors consider that the revised of estimated useful life gives a fairer presentation of the results and the financial position of the group. As a results, the revision arising from this change of depreciation rate had led to the decrease in the group's depreciation expenses by approximately RM400,000.



NOTES TO THE INTERIM FINANCIAL REPORT
FOR TWELVE MONTHS ENDED
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7. Changes in debts and equity securities

For the current quarter to date, a total of 32,000 ordinary shares of RM0.50 each were purchased on the market of the Exchange.

The details of the treasury shares held as at 31 October 2011 are as follows:-

	Number of Shares	Total Amount Paid RM
Balance of treasury shares as at 01 November 2010	1,853,000	888,963
Shares bought back during the period	32,000	7,217
Balance of treasury shares as at 31 October 2011	<u>1,885,000</u>	<u>896,180</u>

All the shares bought are retained as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

The treasury shares held had been accounted for on the cost method. The amount of consideration paid including directly attributable costs, is recognised as costs and set off against equity.

8. Dividends paid

No dividend was paid during the financial quarter ended 31 October 2011 (Financial year ended 31 October 2010: tax exempted dividend of 1.5 sen per ordinary share).

9. Segmental revenue and results

The Group's business segment comprises manufacturing and sale of high precision metal sheet fabrication and assembly, high precision turned metal components, semi-conductor tools and consumables parts.

Business segmental information has not been prepared as all the Group's revenue and operating profit are mainly confined to one business segment.

10. Property, plant and equipment

The property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

Freehold land is stated at valuation.



**NOTES TO THE INTERIM FINANCIAL REPORT
FOR TWELVE MONTHS ENDED
31 OCTOBER 2011**

During the 9 months ended 31 October 2011, the Group acquired plant and equipment with an aggregate cost of RM2,904,000 (12 months ended 31 October 2010: RM2,851,000) of which RM1,711,000 was paid by cash (12 months ended 31 October 2010: RM2,141,000 by cash). The balance of RM1,193,000 was acquired by means of hire purchase (12 months ended 31 October 2010: RM710,000 by means of hire purchase).

During the 12 months ended 31 October 2011, the Group disposed of plant and equipment with a net book value of RM794,000 resulting in a gain of RM949,000 (12 months ended 31 October 2010: The Group disposed of plant and equipment with a net book value of RM1 resulting in a gain of RM72,999).

The valuation of property, plant and equipment was brought forward without any amendment from the previous annual financial statements.

11. Material post balance sheet date events

There were no items, transactions or events of a material and unusual nature which have arisen from the balance sheet date to the date of announcement which would have substantially affected the results for the Group in this interim financial report.

12. Changes in Group's composition

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

13. Changes in contingent liabilities and assets

There were no contingent liabilities and assets at the end of the reporting period except for the corporate guarantee issued to financial institutions for credit facilities and hire purchase facilities granted to the subsidiaries amounting to RM24,480,500 and RM1,221,000 respectively (31 October 2010: Credit facility to RM26,190,500 , Hire purchase RM667,000).

14. Capital commitments

	2011 RM
Plant & Machinery	
Contracted but not provided for in the financial statements	3,084,941
Production Equipment	127,800



NOTES TO THE INTERIM FINANCIAL REPORT
FOR TWELVE MONTHS ENDED
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Part B: Additional Information Required by Bursa Malaysia Securities Berhad Listing Requirements.

15. Review of performance for current quarter and financial year-to-date against the immediate preceding year

For the quarter under review as compared to its preceding year corresponding quarter, the Group's profit before tax was decreased from a loss before tax of RM2,025,000 to a loss before tax of RM353,000 mainly due to better control on operating expenses.

16. Commentaries on profit before tax for current quarter as compared with the immediate preceding quarter

The Group's profit before tax in the current quarter was decreased by RM580,000 from a profit before tax of RM227,000 in the immediate preceding quarter to a loss before tax of RM353,000 in the current quarter. The profit in the immediate preceding quarter was attributed to a gain on disposal of land of RM819,000.

17. Prospects

The global economy remains volatile and unstable in the next financial year. However, the group is optimistic that its performance will remain satisfactory as the group continues to diversify its revenue streams in industry and customer base.

18. Variance of profit forecast

The Group did not publish any profit forecast for the period under review.

19. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 October 11 (Unaudited) RM'000	Preceding year quarter 31 October 10 (Unaudited) RM'000	Cumulative year to date 31 October 11 (Unaudited) RM'000	Preceding year quarter 31 October 10 (Unaudited) RM'000
Tax expense				
- current tax	132	203	132	203
- prior year tax	(13)	(10)	(13)	(10)
Deferred tax				
- origination of temporary differences	27	(24)	27	(24)
- prior year	(12)	13	(12)	13
	<u>134</u>	<u>182</u>	<u>134</u>	<u>182</u>



NOTES TO THE INTERIM FINANCIAL REPORT
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20. Profit/(Loss) on sale of unquoted investment and properties for the current quarter and financial year to date

There was no disposal of unquoted investment and property for the period under review.

21. Purchase or disposal of quoted securities

The Group did not purchase or dispose of any quoted securities during the period under review. The Group does not have any quoted securities as at the end of the current quarter.

22. Status of corporate proposals

There is no corporate proposal announced or uncompleted as at the date of this announcement.

23. Bank borrowings

The bank borrowings as at 31 October 2011 are as follows:

	31 October 11 (Unaudited) RM'000	31 October 10 (Audited) RM'000
Current:		
Hire Purchase	742	249
Term Loan	-	112
	<u>742</u>	<u>361</u>
Non-Current		
Hire Purchase	<u>479</u>	<u>418</u>

24. Derivatives

	Contract/Notional Value RM'000	Fair Value RM'000	Fair Value Gain/(Loss) RM'000
Foreign exchange forwards contracts			
- Less than 1 year	1,242	1,212	30

Forward foreign currency exchange contracts are entered into by the Group to manage the exposures to fluctuation in foreign currency exchange rate on specific transactions only. As these contracts were executed with established financial institutions, the risk of default is low.

25. Changes in material litigation

The Group was not engaged in any material litigation for the current financial year to date.



NOTES TO THE INTERIM FINANCIAL REPORT
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31 OCTOBER 2011

26. Proposed dividends

The directors do not recommended any interim dividend for the financial period ended 31 October 2011.

27. (Loss)/profit per share

Basic (loss)/profit per share

The basic (loss)/profits per share of the Group are calculated by dividing the net (loss)/profit for the current period to date by the ordinary shares in issue after excluding treasury shares.

	Current Quarter 31 October 11 <u>(Unaudited)</u>	Cumulative Quarter 31 October 11 <u>(Unaudited)</u>
Net (loss)/profit for the period attributable to shareholders (RM'000)	(384)	140
Shares in circulation ('000)	89,803	89,803
Basic (loss)/profit per ordinary share (sen)	(0.43)	0.16

28. Related party transactions

There were no significant related party transactions during the quarter under review.

29. Realised and unrealised profits/losses Disclosure

The retained profits as at 31 October 2011 and 31 July 2011 are analyzed as follows:

	As at 31 October 11 <u>(Unaudited)</u>	As at 31 July 11 <u>(Unaudited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	6,452,687	6,863,575
- Unrealised	(54,090)	(83,029)
Total group retained profits as per consolidated financial statements	6,398,597	6,780,546

By order of the board

Dato' Wong Kem Woh
Chairman & Chief Executive Officer
22 December 2011