



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 APRIL 2012
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Apr-12 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Apr-11 RM'000	CURRENT YEAR TO DATE 30-Apr-12 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 30-Apr-11 RM'000
Continuing operations				
Revenue	8,828	10,742	16,926	21,555
Operating profit/(loss)	203	224	(228)	458
Finance costs	(69)	(28)	(118)	(45)
Interest income	40	28	88	44
Fair value (loss)/gain on forward contract	(7)	6	(20)	6
Profit/(loss) before tax	167	230	(278)	463
Tax expense	-	-	-	-
Profit/(loss) for the period	167	230	(278)	463
Other Comprehensive Income				
Foreign currency translation differences for foreign operation	-	-	-	-
Total Comprehensive Income	167	230	(278)	463
Profit/(loss) Attributable to :				
Equity holders of the Company	108	163	(366)	308
Non-controlling interest	59	67	88	155
Profit/(loss) for the period	167	230	(278)	463
Total Comprehensive Income Attributable to :				
Equity holders of the Company	108	163	(366)	308
Non-controlling interests	59	67	88	155
Total Comprehensive Income for the period	167	230	(278)	463
Basic profit/(loss) per ordinary share (sen) - Note 24	0.12	0.18	(0.41)	0.34

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 October 2011 and the accompanying explanatory notes set out on pages 5 to 11 which form an integral part of this interim financial report.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2012

	Note	(Unaudited) As at end of current quarter 30-Apr-12 RM'000	(Audited) As at preceding financial year end 31-Oct-11 RM'000
ASSETS			
Property, plant and equipment		47,812	44,920
Total non-current assets		<u>47,812</u>	<u>44,920</u>
Inventories		10,372	9,590
Receivables, deposits and prepayments		6,867	5,723
Current tax assets		471	390
Cash and cash equivalents		8,407	9,743
Total current assets		<u>26,117</u>	<u>25,446</u>
Total Assets		<u><u>73,929</u></u>	<u><u>70,366</u></u>
EQUITY			
Share capital		45,844	45,844
Treasury shares		(909)	(896)
Reserves		17,602	17,968
Total equity attributable to equity holders of the Company		<u>62,537</u>	<u>62,916</u>
Non-controlling interests		1,051	963
Total Equity		<u>63,588</u>	<u>63,879</u>
LIABILITIES			
Bank borrowings	21	2,570	479
Deferred tax liabilities		87	87
Total non-current liabilities		<u>2,657</u>	<u>566</u>
Payables and accruals		5,820	5,179
Bank borrowings	21	1,864	742
Total current liabilities		<u>7,684</u>	<u>5,921</u>
Total liabilities		<u>10,341</u>	<u>6,487</u>
Total equity and liabilities		<u><u>73,929</u></u>	<u><u>70,366</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 2011 and the accompanying explanatory notes set out on pages 5 to 11 which form an integral part of this interim financial report.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 APRIL 2012

(The figures have not been audited)

	Non-distributable				Distributable		Non-controlling 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>6 months ended 30 April 2012 (Unaudited)</u>								
At 1 November 2011	45,844	11,569	(896)	-	6,399	62,916	963	63,879
Total comprehensive income for the period	-	-	-	-	(366)	(366)	88	(278)
Purchase of treasury shares	-	-	(13)	-	-	(13)	-	(13)
At 30 April 2012	45,844	11,569	(909)	-	6,033	62,537	1,051	63,588
<u>6 months ended 30 April 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	-	-	-	-	308	308	155	463
Purchase of treasury shares	-	-	(1)	-	-	(1)	-	(1)
At 30 April 2011	45,844	11,569	(890)	-	6,566	63,089	1,054	64,143

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2011 and the accompanying explanatory notes set out on pages 5 to 11 which form an integral part of this interim financial report.



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30 APRIL 2012**

	(Unaudited) 30-Apr-12 RM'000	(Unaudited) 30-Apr-11 RM'000
(Loss)/profit before tax from continuing operations	(278)	463
Adjustments for		
Non-cash items	2,132	2,173
Non-operating items	30	1
Operating profit before changes in working capital	1,884	2,637
Changes in working capital		
- Net changes in current assets	(1,926)	5,387
- Net changes in current liabilities	41	(2,535)
Interest paid	(118)	(45)
Tax paid	(81)	(5)
Net cash generated from operating activities	(200)	5,439
Cash flow from investing activities		
- Purchase of plant and equipment (Note 1)	(456)	(840)
- Proceeds from disposal of plant and equipment	-	130
- Interest received	88	44
Net cash used in investing activities	(368)	(666)
Cash flow from financing activities		
- Repayment of hire purchase obligations	(755)	(261)
- Repayment of term loan	-	(112)
- Acquisition of treasury shares	(13)	(1)
Net cash used in financing activities	(768)	(374)
Net (decrease)/increase in cash and cash equivalents	(1,336)	4,399
Cash and cash equivalents at the beginning of financial period	9,743	2,902
Cash and cash equivalents at end of financial period	8,407	7,301

NOTE

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

	RM'000	RM'000
Short term deposit placed with licensed banks	5,800	5,850
Cash and bank balances	2,607	1,451
	8,407	7,301

Note 1

During the 6 months ended 30 April 2012, the Group acquired plant and equipment with an aggregate cost of RM5,024,000 (6 months ended 30 April 2011: RM2,033,000) of which RM456,000 was paid by cash (6 months ended 30 April 2011: RM840,000 by cash). The balance of RM3,968,000 was acquired by means of hire purchase (6 months ended 30 April 2011: RM1,193,000 by means of hire purchase) and RM600,000 was included in other payables at the Balance Sheet date.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 October 2011 and the accompanying explanatory notes set out on pages 5 to 11 which form an integral part of this interim financial report.



**NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2012**

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 2011.

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 policies 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 2011. 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 2011 except for the adoption of the following:

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 November 2011

- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
 - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
 - Additional Exemptions for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- IC Interpretation 4, Determining whether an Arrangement contains a Lease
- Improvements to FRSs (2010)

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 July 2011

- FRS 124, Related Party Disclosures (revised)

The adoption of above standards, amendments and interpretations do not have significant impact on the financial statements of the Group.



NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2012

3. Audit qualification

There were no qualifications on the audit report of the financial statements for the financial year ended 31 October 2011.

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.

7. Changes in debts and equity securities

For the current quarter to date, no ordinary shares were purchased on the market of the Exchange.

The details of the treasury shares held as at 30 April 2012 are as follows:-

	Number of Shares	Total Amount Paid RM
Balance of treasury shares as at 01 November 2011	1,885,000	896,180
Shares bought back during the period	50,000	13,094
Balance of treasury shares as at 30 April 2012	<u>1,935,000</u>	<u>909,274</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 30 April 2012 (30 April 2011: Nil).



NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2012

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. Accordingly, information by operating segment on the Group's operations as required by FRS 8 is not presented.

The Group's manufacturing activities are performed in Malaysia while sales and distribution activities are mainly performed at three principal geographical areas namely Asia, North and South America and Europe.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are also based on the geographical location of assets.

	Asia	North &				Consolidated
	Malaysia	Outside	South	Europe	Others	total
	RM	Malaysia	America	RM	RM	RM
		RM	RM			
As at 30 April 2012						
Revenue from external customers	9,323,286	5,098,036	1,610,315	404,913	489,926	16,926,476
Non-current assets	47,811,912	-	-	-	-	47,811,912

10. Operating (loss)/profit

Operating loss is arrived:

	Current Year Quarter 30 April 12 (Unaudited) RM	Current Year To Date 30 April 2012 (Unaudited) RM
After charging:		
Depreciation of properties, plant and equipment	1,074,346	2,131,756
Loss on foreign exchange - realised	113,159	-
Loss on foreign exchange - unrealised	-	11,811
Loss on derivatives	6,323	19,820
Interest expense	69,447	118,028
And crediting:		
Interest income	39,155	87,617
Gain on foreign exchange - realised	-	9,399
Gain on foreign exchange - unrealised	60,721	-



**NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2012**

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 RM27,493,000 and RM4,434,000 respectively (30 April 2011: Credit facilities to RM23,980,500, Hire purchase facilities RM1,600,000).

14. Capital commitments

	30 April 2012 (Unaudited) RM
Capital expenditure commitments	
Plant & Machinery	
Contracted but not provided for in the financial statements	<u>284,000</u>

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 by RM63,000 from a profit before tax of RM230,000 to a profit before tax of RM167,000 basically due to a drop in revenue.

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 increased by RM612,000 from a loss before tax of RM445,000 in the immediate preceding quarter to a profit before tax of RM167,000 in the current quarter. The good management control in operating cost was the main reason of the higher profit in current quarter as compared to the immediate preceding quarter.



**NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2012**

17. Prospects

The business environment will remain volatile and challenging in the remaining quarters of this financial year. However, the group will continue to sustain its business performance through diversifying its revenue streams in industry and customer base and financial strength.

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 30 April 12 (Unaudited) RM'000	Preceding year quarter 30 April 11 (Unaudited) RM'000	Cumulative year to date 30 April 12 (Unaudited) RM'000	Preceding year quarter 30 April 11 (Unaudited) RM'000
Tax expense				
- current tax	-	-	-	-
- prior year tax	-	-	-	-
Deferred tax				
- origination of temporary differences	-	-	-	-
- prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

20. Status of corporate proposals

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

21. Bank borrowings

The bank borrowings as at 30 April 2012 are as follows:

	30 April 12 (Unaudited) RM'000	31 October 11 (Audited) RM'000
Current:		
Hire Purchase	<u>1,864</u>	<u>742</u>
Non-Current		
Hire Purchase	<u>2,570</u>	<u>479</u>



**NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2012**

22. Changes in material litigation

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

23. Proposed dividends

The directors do not recommend any interim dividend for the financial period ended 30 April 2012.

24. Profit/(loss) per share

Basic profit/(loss) per share

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

	Current Quarter 30 April 12 <u>(Unaudited)</u>	Cumulative Quarter 30 April 12 <u>(Unaudited)</u>
Net profit/(loss) for the period attributable to shareholders (RM'000)	108	(366)
Shares in circulation ('000)	89,753	89,753
Basic profit/(loss) per ordinary share (sen)	0.12	(0.41)

25. Related party transactions

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



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 – W)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2012

26. Realised and unrealised profits/losses Disclosure

The retained profits as at 30 April 2012 and 31 October 2011 are analyzed as follows:

	Current Year To Date 30 April 12 <u>(Unaudited)</u>	Preceding Year To Date 31 Oct 2011 <u>(Audited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	6,118,474	6,452,691
- Unrealised	(85,721)	(54,090)
Total group retained profits as per consolidated financial statements	<u>6,032,753</u>	<u>6,398,601</u>

By order of the board

Dato' Wong Kem Woh
Chairman & Chief Executive Officer
27 June 2012