



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 JANUARY 2013**

*(The figures have not been audited)*

|  | INDIVIDUAL QUARTER                                |  | CUMULATIVE QUARTER                                |  |
|--|---|--|---|--|
|  | CURRENT<br>YEAR<br>QUARTER<br>31-Jan-13<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>31-Jan-12<br>RM'000 | CURRENT<br>YEAR<br>TO DATE<br>31-Jan-13<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>TO DATE<br>31-Jan-12<br>RM'000 |
| <b>Continuing operations</b>                           |   |  |   |  |
| Revenue  | <u>7,655</u>                                      | <u>8,098</u>   | <u>7,655</u>                                      | <u>8,098</u>   |
| Operating profit/(loss)                                | 90  | (457)  | 90  | (457)  |
| Finance costs  | (92)  | (49)   | (92)  | (49)   |
| Interest income  | 41  | 48   | 41  | 48   |
| Fair value/gain on forward contract                    | -   | 13   | -   | 13   |
| Profit/(loss) before tax                               | <u>39</u>   | <u>(445)</u>   | <u>39</u>   | <u>(445)</u>   |
| Tax expense  | 6   | -  | 6   | -  |
| Profit/(loss) for the period                           | <u>45</u>   | <u>(445)</u>   | <u>45</u>   | <u>(445)</u>   |
| Other Comprehensive Income                             | -   | -  | -   | -  |
| Total Comprehensive Income                             | <u>45</u>   | <u>(445)</u>   | <u>45</u>   | <u>(445)</u>   |
| Profit/(loss) Attributable to :                        |   |  |   |  |
| Equity holders of the Company                          | 45  | (474)  | 45  | (474)  |
| Non-controlling interest                               | -   | 29   | -   | 29   |
| Profit/(loss) for the period                           | <u>45</u>   | <u>(445)</u>   | <u>45</u>   | <u>(445)</u>   |
| Total Comprehensive Income Attributable to :           |   |  |   |  |
| Equity holders of the Company                          | 45  | (474)  | 45  | (474)  |
| Non-controlling interests                              | -   | 29   | -   | 29   |
| Total Comprehensive Income for the period              | <u>45</u>   | <u>(445)</u>   | <u>45</u>   | <u>(445)</u>   |
| Basic profit/(loss) per ordinary share (sen) - Note 23 | <u>0.05</u>                                       | <u>(0.53)</u>  | <u>0.05</u>                                       | <u>(0.53)</u>  |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 October 2012 and the accompanying explanatory notes set out on pages 5 to 10 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 31 JANUARY 2013

|   | Note | (Unaudited)<br>As at end of<br>current quarter<br>31-Jan-13<br>RM'000 | ( Audited)<br>As at preceding<br>financial year end<br>31-Oct-12<br>RM'000 |
|---|------|---|--|
| <b>ASSETS</b>   |      |   |  |
| Property, plant and equipment   |      | 49,742  | 48,454   |
| Total non-current assets  |      | <u>49,742</u>   | <u>48,454</u>  |
| Inventories   |      | 10,843  | 10,724   |
| Receivables, deposits and prepayments   |      | 6,826   | 6,104  |
| Current tax assets  |      | 429   | 453  |
| Cash and cash equivalents   |      | 7,094   | 8,517  |
| Total current assets  |      | <u>25,192</u>   | <u>25,798</u>  |
| <b>Total Assets</b>   |      | <u><u>74,934</u></u>  | <u><u>74,252</u></u>   |
| <b>EQUITY</b>   |      |   |  |
| Share capital   |      | 45,844  | 45,844   |
| Treasury shares   |      | (909)   | (909)  |
| Reserves  |      | 18,606  | 18,561   |
| Total equity attributable to equity holders of the Company                      |      | <u>63,541</u>   | <u>63,496</u>  |
| Total Equity  |      | <u><u>63,541</u></u>  | <u><u>63,496</u></u>   |
| <b>LIABILITIES</b>  |      |   |  |
| Bank borrowings   | 20   | 3,588   | 3,016  |
| Deferred tax liabilities  |      | 98  | 98   |
| Total non-current liabilities   |      | <u>3,686</u>  | <u>3,114</u>   |
| Payables and accruals   |      | 4,840   | 5,239  |
| Bank borrowings   | 20   | 2,867   | 2,403  |
| Total current liabilities   |      | <u>7,707</u>  | <u>7,642</u>   |
| Total liabilities   |      | <u>11,393</u>   | <u>10,756</u>  |
| <b>Total equity and liabilities</b>   |      | <u><u>74,934</u></u>  | <u><u>74,252</u></u>   |
| Net Asset per share attributable to ordinary equity holders of the Company (RM) |      | <u>0.71</u>   | <u>0.71</u>  |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2012 and the accompanying explanatory notes set out on pages 5 to 10 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 THREE MONTHS ENDED 31 JANUARY 2013**  
*(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>3 months ended 31 January 2013 (Unaudited)</u> |   |               |                 |                              |                   |               |                           |               |
| At 1 November 2012                                | 45,844                                      | 11,569        | (909)           | -                            | 6,992             | 63,496        | -                         | 63,496        |
| Total comprehensive income                        | -   | -             | -               | -                            | 45                | 45            | -                         | 45            |
| <b>Total comprehensive income for the period</b>  | <b>45,844</b>                               | <b>11,569</b> | <b>(909)</b>    | <b>-</b>                     | <b>7,037</b>      | <b>63,541</b> | <b>-</b>                  | <b>63,541</b> |
| At 31 January 2013                                | 45,844                                      | 11,569        | (909)           | -                            | 7,037             | 63,541        | -                         | 63,541        |
| <u>3 months ended 31 January 2012 (Unaudited)</u> |   |               |                 |                              |                   |               |                           |               |
| At 1 November 2011                                | 45,844                                      | 11,569        | (896)           | -                            | 6,399             | 62,916        | 963                       | 63,879        |
| Loss for the year                                 | -   | -             | -               | -                            | (474)             | (474)         | 29                        | (445)         |
| <b>Total comprehensive income for the period</b>  | <b>45,844</b>                               | <b>11,569</b> | <b>(896)</b>    | <b>-</b>                     | <b>5,925</b>      | <b>62,442</b> | <b>992</b>                | <b>63,434</b> |
| At 31 January 2012                                | 45,844                                      | 11,569        | (896)           | -                            | 5,925             | 62,442        | 992                       | 63,434        |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2012 and the accompanying explanatory notes set out on pages 5 to 10 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 THREE MONTHS ENDED 31 JANUARY 2013**

|  | (Unaudited)<br>31-Jan-13<br>RM'000 | (Unaudited)<br>31-Jan-12<br>RM'000 |
|--|------------------------------------|------------------------------------|
| Profit/(loss) before tax from continuing operations            | 39                                 | (445)                              |
| Adjustments for  |                                    |                                    |
| Non-cash items   | 1,040                              | 1,058                              |
| Non-operating items  | 51                                 | 1                                  |
| Operating profit before changes in working capital             | <u>1,130</u>                       | <u>614</u>                         |
| Changes in working capital                                     |                                    |                                    |
| - Net changes in current assets                                | (841)                              | (184)                              |
| - Net changes in current liabilities                           | (399)                              | (1,281)                            |
| Interest paid  | (92)                               | (49)                               |
| Tax refundable/(paid)  | 30                                 | (32)                               |
| Net cash used in operating activities                          | <u>(172)</u>                       | <u>(932)</u>                       |
| <b>Cash flow from investing activities</b>                     |                                    |                                    |
| - Purchase of plant and equipment (Note 1)                     | (690)                              | (7)                                |
| - Proceeds from disposal of plant and equipment                | 36                                 | -                                  |
| - Interest received  | 41                                 | 48                                 |
| Net cash (used in)/generated from investing activities         | (613)                              | 41                                 |
| <b>Cash flow from financing activities</b>                     |                                    |                                    |
| - Repayment of hire purchase obligations                       | (638)                              | (309)                              |
| Net cash used in financing activities                          | (638)                              | (309)                              |
| Net decrease in cash and cash equivalents                      | <u>(1,423)</u>                     | <u>(1,200)</u>                     |
| Cash and cash equivalents at the beginning of financial period | 8,517                              | 9,743                              |
| Cash and cash equivalents at end of financial period           | <u><u>7,094</u></u>                | <u><u>8,543</u></u>                |

**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 | 5,600               | 5,900               |
| Cash and bank balances                        | 1,494               | 2,643               |
|   | <u><u>7,094</u></u> | <u><u>8,543</u></u> |

**Note 1**

During the 3 months ended 31 January 2013, the Group acquired plant and equipment with an aggregate cost of RM2,364,000 (3 months ended 31 January 2012: RM3,099,000) of which RM690,000 was paid by cash (3 months ended 31 January 2012: RM7,000 by cash). The balance of RM1,674,000 was acquired by means of hire purchase (3 months ended 31 January 2012: RM3,092,000 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 2012 and the accompanying explanatory notes set out on pages 5 to 10 which form an integral part of this interim financial report.



**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THREE MONTHS ENDED**  
**31 JANUARY 2013**

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

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) 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 2012.

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the MASB. These quarterly interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 October 2013. MFRS 1:First-Time Adoption of Malaysian Financial Reporting Standards (MFRS1) has been applied. The adoption of MFRS 1 has no significant impact on the financial statements.

**2. Audit qualification**

There were no qualifications on the audit report of the financial statements for the financial year ended 31 October 2012.

**3. 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.

**4. 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.

**5. Changes in estimates**

There was no material changes in the estimates used for the preparation of this interim financial report.



**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THREE MONTHS ENDED**  
**31 JANUARY 2013**

**6. 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 31 January 2013 are as follows:-

|   | <b>Number<br/>of Shares</b> | <b>Total<br/>Amount Paid<br/>RM</b> |
|---|-----------------------------|-------------------------------------|
| Balance of treasury shares as at 01 November 2012 | 1,935,000                   | 909,275                             |
| Shares bought back during the period              | -                           | -                                   |
| Balance of treasury shares as at 31 January 2013  | <u>1,935,000</u>            | <u>909,275</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.

**7. Dividends paid**

No dividend was paid during the financial quarter ended 31 January 2013 (31 January 2012: Nil).

**8. 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.



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**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THREE MONTHS ENDED**  
**31 JANUARY 2013**

**8. Segmental revenue and results (continued)**

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 &<br>South | Europe  | Others  | Consolidated<br>Total |
|---------------------------------------|----------------|---------------------------|------------------|---------|---------|-----------------------|
|                                       | Malaysia<br>RM | Outside<br>Malaysia<br>RM | America<br>RM    | RM      | RM      | RM                    |
| As at 31<br>January 2013              |                |                           |                  |         |         |                       |
| Revenue from<br>external<br>customers | 3,611,941      | 2,661,027                 | 1,066,277        | 198,488 | 117,302 | 7,655,035             |
| Non-current<br>assets                 | 49,741,989     | -                         | -                | -       | -       | 49,741,989            |

**9. Operating profit/(loss)**

Operating profit/(loss) is arrived:

|  | Current Year<br>Quarter<br>31 January 13<br>(Unaudited)<br>RM | Current Year<br>To Date<br>31 January 13<br>(Unaudited)<br>RM |
|--|---|---|
| After charging:                                      |   |   |
| Depreciation of property, plant and equipment        | 1,076,697   | 1,076,697   |
| Loss on foreign exchange - realized                  | 11,057  | 11,057  |
| Interest expense                                     | 92,295  | 92,295  |
| And crediting:                                       |   |   |
| Interest income                                      | 41,174  | 41,174  |
| Loss on foreign exchange - unrealized                | 28,994  | 28,994  |
| Gain on disposal of property, plant and<br>equipment | 35,500  | 35,500  |

**10. 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.



**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THREE MONTHS ENDED**  
**31 JANUARY 2013**

**11. Changes in Group's composition**

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

**12. 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 RM30,066,721 and RM6,455,000 respectively (31 January 2012: Credit facilities to RM24,480,500, Hire purchase facilities RM4,004,000).

**13. Capital commitments**

|   |                                      |
|---|--------------------------------------|
|   | 31 January 2013<br>(Unaudited)<br>RM |
| Capital expenditure commitments                             |                                      |
| Plant & Machinery   |                                      |
| Contracted but not provided for in the financial statements | <u>658,350</u>                       |

**Part B: Additional Information Required by Bursa Malaysia Securities Berhad Listing Requirements.**

**14. 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 increased by RM484,000 from a loss before tax of RM445,000 to a profit before tax of RM39,000. This was due to the better control on operating cost in the current quarter as compared to its preceding year corresponding quarter.

**15. 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 RM1,335,000 from a profit before tax of RM1,374,000 in the immediate preceding quarter to a profit before tax of RM39,000 in the current quarter. The profit in the immediate preceding quarter was attributed to higher margin in certain products, reversal of inventories obsolescence and positive adjustments to expenses accrued.

**16. Prospects**

The global economic environment continues to be challenging and volatile. However, the Group maintains cautiously positive outlook in the remaining quarters of this financial year. The Group will continue to sustain its business performance through diversifying its revenue streams in industry and customer base and implement strategies to control operating cost and cash flow.





**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THREE MONTHS ENDED  
31 JANUARY 2013**

**17. Variance of profit forecast**

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

**18. Tax expense**

|   | Individual Quarter                                      |   | Cumulative Quarter   |   |
|---|---|---|--|---|
|   | Current year<br>quarter<br>31 January 13<br>(Unaudited) | Preceding<br>year quarter<br>31 January 12<br>(Unaudited) | Cumulative<br>year to date<br>31 January 13<br>(Unaudited) | Preceding<br>year quarter<br>31 January 12<br>(Unaudited) |
| Tax expense                               |   |   |  |   |
| - current tax                             | -   | -   | -  | -   |
| - prior year tax                          | (6)   | -   | (6)  | -   |
| Deferred tax                              |   |   |  |   |
| - origination of<br>temporary differences | -   | -   | -  | -   |
| - prior year                              | -   | -   | -  | -   |
|   | <u>(6)</u>  | <u>-</u>  | <u>(6)</u>   | <u>-</u>  |

**19. Status of corporate proposals**

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

**20. Bank borrowings**

The bank borrowings as at 31 January 2013 are as follows:

|               | 31 January 13<br>(Unaudited)<br>RM'000 | 31 October 12<br>(Audited)<br>RM'000 |
|---------------|--|--------------------------------------|
| Current:      |  |                                      |
| Hire Purchase | <u>2,867</u>                           | <u>2,403</u>                         |
| Non-Current   |  |                                      |
| Hire Purchase | <u>3,588</u>                           | <u>3,016</u>                         |

**21. 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  
FOR THREE MONTHS ENDED  
31 JANUARY 2013

**22. Proposed dividends**

The directors do not recommend any interim dividend for the financial period ended 31 January 2013.

**23. Profit per share**

*Basic profit per share*

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

|  | Current<br>Quarter<br>31 January 13<br>(Unaudited) | Cumulative<br>Quarter<br>31 January 13<br>(Unaudited) |
|--|--|---|
| Net profit for the period attributable to shareholders<br>(RM'000) | 45   | 45  |
| Shares in circulation ('000)                                       | 89,753   | 89,753  |
| Basic profit per ordinary share (sen)                              | 0.05   | 0.05  |

**24. Related party transactions**

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

**25. Realised and unrealised profits/losses Disclosure**

The retained profits as at 31 January 2013 and 31 October 2012 are analyzed as follows:

|  | Current Year<br>To Date<br>31 January 13<br>(Unaudited) | Preceding Year<br>To Date<br>31 Oct 2012<br>(Audited) |
|--|---|---|
| Total retained profits of the Company and the subsidiaries:              |   |   |
| - Realised   | 7,127,830   | 6,960,993   |
| - Unrealised   | (90,694)  | 31,325  |
| Total group retained profits as per consolidated financial<br>statements | 7,037,136   | 6,992,318   |

By order of the board

Dato' Wong Kem Woh  
Chairman & Chief Executive Officer  
27 March 2013