



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 2013**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Oct-13 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-12 RM'000	CURRENT YEAR TO DATE 31-Oct-13 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31-Oct-12 RM'000
Continuing operations				
Revenue	6,666	7,734	30,048	33,147
Operating (loss)/profit	(1,457)	1,428	(3,071)	512
Finance costs	(134)	(76)	(448)	(275)
Interest income	37	43	151	177
Fair value loss on forward contract	-	(21)	-	-
(Loss)/profit before tax	(1,554)	1,374	(3,368)	414
Tax expense	27	(44)	19	(44)
(Loss)/profit for the period	(1,527)	1,330	(3,349)	370
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	(1,527)	1,330	(3,349)	370
(Loss)/profit attributable to :				
Equity holders of the Company	(1,527)	1,344	(3,349)	291
Non-controlling interest	-	(14)	-	79
(Loss)/profit for the period	(1,527)	1,330	(3,349)	370
Total Comprehensive Income Attributable to :				
Equity holders of the Company	(1,527)	1,344	(3,349)	291
Non-controlling interests	-	(14)	-	79
Total Comprehensive Income for the period	(1,527)	1,330	(3,349)	370
Basic (loss)/profit per ordinary share (sen) - Note 23	(1.70)	1.50	(3.73)	0.32

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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2013

	Note	(Unaudited) As at end of current quarter 31-Oct-13 RM'000	(Audited) As at preceding financial year end 31-Oct-12 RM'000
ASSETS			
Property, plant and equipment		51,184	48,454
Total non-current assets		<u>51,184</u>	<u>48,454</u>
Inventories		9,765	10,724
Receivables, deposits and prepayments		4,824	6,104
Current tax assets		318	453
Cash and cash equivalents		6,768	8,517
Total current assets		<u>21,675</u>	<u>25,798</u>
Total Assets		<u><u>72,859</u></u>	<u><u>74,252</u></u>
EQUITY			
Share capital		45,844	45,844
Treasury shares		(912)	(909)
Reserves		15,212	18,561
Total equity attributable to equity holders of the Company		<u>60,144</u>	<u>63,496</u>
Total Equity		<u>60,144</u>	<u>63,496</u>
LIABILITIES			
Bank borrowings	20	4,201	3,016
Deferred tax liabilities		36	98
Total non-current liabilities		<u>4,237</u>	<u>3,114</u>
Payables and accruals		4,897	5,239
Bank borrowings	20	3,581	2,403
Total current liabilities		<u>8,478</u>	<u>7,642</u>
Total liabilities		<u>12,715</u>	<u>10,756</u>
Total equity and liabilities		<u><u>72,859</u></u>	<u><u>74,252</u></u>
Net Asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.67</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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 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
12 months ended 31 October 2013 (Unaudited)							
At 1 November 2012	45,844	11,569	(909)	-	6,992	63,496	63,496
Total comprehensive income	-	-	-	-	(3,349)	(3,349)	(3,349)
Total comprehensive income for the period	45,844	11,569	(909)	-	3,643	60,147	60,147
Purchase of treasury shares	-	-	(3)	-	-	(3)	(3)
Total transactions with owners of the Company	-	-	(3)	-	-	(3)	(3)
At 31 October 2013	45,844	11,569	(912)	-	3,643	60,144	60,144
12 months ended 31 October 2012 (Audited)							
At 1 November 2011	45,844	11,569	(896)	-	6,399	62,916	63,879
Total comprehensive income for the period	-	-	-	-	291	291	370
Total comprehensive income for the period	45,844	11,569	(896)	-	6,690	63,207	64,249
Purchase of treasury shares	-	-	(13)	-	-	(13)	(13)
Total transactions to owners of the Company	-	-	(13)	-	-	(13)	(13)
Changes in ownership interests in a subsidiary	-	-	-	-	302	302	(740)
At 31 October 2012	45,844	11,569	(909)	-	6,992	63,496	63,496

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
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2013**

	(Unaudited) 31-Oct-13 RM'000	(Audited) 31-Oct-12 RM'000
(Loss)/ profit before tax from continuing operations	(3,368)	414
Adjustments for		
Non-cash items	4,436	4,269
Non-operating items	81	(190)
Operating profit before changes in working capital	1,149	4,493
Changes in working capital		
- Net changes in current assets	2,239	(1,515)
- Net changes in current liabilities	(343)	61
Tax refundable/(paid)	93	(97)
Net cash generated from operating activities	3,138	2,942
Cash flow from investing activities		
- Purchase of plant and equipment (Note 1)	(1,688)	(1,740)
- Proceeds from disposal of plant and equipment	230	288
- Interest received	151	177
- Investment in subsidiary	-	(740)
Net cash used in investing activities	(1,307)	(2,015)
Cash flow from financing activities		
- Repayment of hire purchase obligations	(3,129)	(1,865)
- Acquisition of treasury shares	(3)	(13)
- Interest paid	(448)	(275)
Net cash used in financing activities	(3,580)	(2,153)
Net decrease in cash and cash equivalents	(1,749)	(1,226)
Cash and cash equivalents at the beginning of financial period	8,517	9,743
Cash and cash equivalents at end of financial period	6,768	8,517

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	5,000	6,100
Cash and bank balances	1,768	2,417
	6,768	8,517

Note 1

During the 12 months ended 31 October 2013, the Group acquired plant and equipment with an aggregate cost of RM7,180,000 (12 months ended 31 October 2012: RM7,803,000) of which RM1,688,000 was paid by cash (12 months ended 31 October 2012: RM1,740,000 by cash). The balance of RM5,492,000 was acquired by means of hire purchase (12 months ended 31 October 2012: RM6,063,000 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 TWELVE MONTHS ENDED
31 OCTOBER 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 fourth 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. However, globally electronics manufacturing services (EMS) industry sales continued its decline during the quarter under review.

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 TWELVE MONTHS ENDED
31 OCTOBER 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 October 2013 are as follows:-

	Number of Shares	Total Amount Paid RM
Balance of treasury shares as at 01 November 2012	1,935,000	909,275
Shares bought back during the period	12,900	2,882
Balance of treasury shares as at 31 October 2013	<u>1,947,900</u>	<u>912,157</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 October 2013 (31 October 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 MFRS 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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NOTES TO THE INTERIM FINANCIAL REPORT
FOR TWELVE MONTHS ENDED
31 OCTOBER 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 &			Consolidated
	Malaysia	Outside	South	Europe	Others	Total
	RM	Malaysia	America	RM	RM	RM
		RM	RM			
As at 31 October 2013						
Revenue from external customers	15,368,585	10,354,335	1,952,153	1,585,311	788,129	30,048,513
Non-current assets	51,184,149	-	-	-	-	51,184,149

9. Operating profit/(loss)

Operating profit/(loss) is arrived:

	Current Year Quarter 31 Oct 13 (Unaudited) RM	Current Year To Date 31 Oct 13 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,166,939	4,435,933
Interest expense	133,983	448,545
Inventories written down	397,028	397,028
Allowance for inventories obsolescence	67,190	67,190
And crediting:		
Interest income	37,119	151,030
Gain on foreign exchange - realized	59,113	165,443
Gain on foreign exchange - unrealized	51,410	17,836
Gain on disposal of property, plant and equipment	181,005	216,505

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 TWELVE MONTHS ENDED
31 OCTOBER 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 RM34,238,000 and RM7,782,000 respectively (31 October 2012: Credit facilities to RM28,753,000 Hire purchase facilities RM5,419,000).

13. Capital commitments

	31 Oct 2013 (Unaudited) RM
Capital expenditure commitments	
Plant & equipment	
Contracted but not provided for in the financial statements	<u>204,000</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 loss before tax was increased dramatically by RM2,928,000 from a profit before tax of RM1,374,000 to a loss before tax of RM1,554,000. This was mainly due to the Group's revenue reduced to RM6,666,000 from RM7,734,000 in the corresponding quarter of the preceding year.

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

The Group's loss before tax in the current quarter increased by RM967,000 from a loss before tax of RM587,000 in the immediate preceding quarter to a loss before tax of RM1,554,000 in the current quarter. This was mainly due to drop in revenue resulting from continuing sales decline in electronics manufacturing services globally.

16. Prospects

The Group expects the business environment to remain volatile and competitive in the next financial year. The Group will continue to diversify 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 TWELVE MONTHS ENDED
31 OCTOBER 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 quarter 31 Oct 13 (Unaudited)	Preceding year quarter 31 Oct 12 (Audited)	Cumulative year to date 31 Oct 13 (Unaudited)	Preceding year quarter 31 Oct 12 (Audited)
Tax expense				
- current tax	-	23,546	-	23,546
- prior year tax	34,168	9,998	42,291	9,998
Deferred tax				
- origination of temporary differences	(61,042)	11,307	(61,042)	11,307
- prior year	-	(698)	-	(698)
	<u>(26,874)</u>	<u>44,153</u>	<u>(18,751)</u>	<u>44,153</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 October 2013 are as follows:

	31 Oct 13 (Unaudited) RM'000	31 October 12 (Audited) RM'000
Current:		
Hire Purchase	<u>3,581</u>	<u>2,403</u>
Non-Current		
Hire Purchase	<u>4,201</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 TWELVE MONTHS ENDED
31 OCTOBER 2013

22. Proposed dividends

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

23. Loss per share

Basic loss per share

The basic 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 31 Oct 13 <u>(Unaudited)</u>	Cumulative Quarter 31 Oct 13 <u>(Unaudited)</u>
Net loss for the period attributable to shareholders (RM'000)	(1,527)	(3,349)
Shares in circulation ('000)	89,740	89,740
Basic loss per ordinary share (sen)	(1.70)	(3.73)

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 October 2013 and 31 October 2012 are analyzed as follows:

	Current Year To Date 31 October 13 <u>(Unaudited)</u>	Preceding Year To Date 31 Oct 2012 <u>(Audited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	3,719,740	6,960,993
- Unrealised	(76,482)	31,325
Total group retained profits as per consolidated financial statements	3,643,258	6,992,318

By order of the board

Dato' Wong Kem Woh
Chairman & Chief Executive Officer
19 December 2013