



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 JANUARY 2014**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Jan-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Jan-13 RM'000	CURRENT YEAR TO DATE 31-Jan-14 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31-Jan-13 RM'000
<b>Continuing operations</b>				
Revenue	<u>5,096</u>	<u>7,655</u>	<u>5,096</u>	<u>7,655</u>
Operating (loss)/profit	(1,540)	90	(1,540)	90
Finance costs	(125)	(92)	(125)	(92)
Interest income	33	41	33	41
(Loss)/profit before tax	<u>(1,632)</u>	<u>39</u>	<u>(1,632)</u>	<u>39</u>
Tax expense	-	6	-	6
(Loss)/profit for the period	<u>(1,632)</u>	<u>45</u>	<u>(1,632)</u>	<u>45</u>
Other Comprehensive Income	-	-	-	-
Total Comprehensive (expense)/ Income	<u>(1,632)</u>	<u>45</u>	<u>(1,632)</u>	<u>45</u>
(Loss)/profit for the year representing total comprehensive (expense)/ income for the year attributable to owners of the Company	<u>(1,632)</u>	<u>45</u>	<u>(1,632)</u>	<u>45</u>
Basic (loss)/profit per ordinary share (sen) - Note 23	<u>(1.82)</u>	<u>0.05</u>	<u>(1.82)</u>	<u>0.05</u>

for the year ended 31 October 2013 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 FINANCIAL POSITION  
AS AT 31 JANUARY 2014

	Note	(Unaudited) As at end of current quarter 31-Jan-14 RM'000	( Audited) As at preceding financial year end 31-Oct-13 RM'000
<b>ASSETS</b>			
Property, plant and equipment		50,227	51,184
Total non-current assets		<u>50,227</u>	<u>51,184</u>
Inventories		9,035	9,765
Trade and other receivables		4,779	4,825
Current tax assets		333	318
Cash and cash equivalents		5,077	6,768
Total current assets		<u>19,224</u>	<u>21,676</u>
<b>Total Assets</b>		<u><u>69,451</u></u>	<u><u>72,860</u></u>
<b>EQUITY</b>			
Share capital		45,844	45,844
Treasury shares		(913)	(912)
Reserves		13,580	15,212
Total equity attributable to equity holders of the Company		<u>58,511</u>	<u>60,144</u>
Total Equity		<u>58,511</u>	<u>60,144</u>
<b>LIABILITIES</b>			
Bank borrowings	20	4,040	4,201
Deferred tax liabilities		37	37
Total non-current liabilities		<u>4,077</u>	<u>4,238</u>
Trade and other payables		3,328	4,897
Bank borrowings	20	3,535	3,581
Total current liabilities		<u>6,863</u>	<u>8,478</u>
Total liabilities		<u>10,940</u>	<u>12,716</u>
<b>Total equity and liabilities</b>		<u><u>69,451</u></u>	<u><u>72,860</u></u>
Net Asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.65</u>	<u>0.67</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2013 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 CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 JANUARY 2014**  
*(The figures have not been audited )*

	Non-distributable				Distributable		Non-controlling interests RM'000	Total Equity
	Attributable to shareholders of the Company				Attributable to shareholders of the Company			
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Exchange Fluctuation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
<u>3 months ended 31 January 2014 (Unaudited)</u>								
At 1 November 2013	45,844	11,569	(912)	-	3,643	60,144	-	60,144
Total comprehensive expense for the period	-	-	-	-	(1,632)	(1,632)	-	(1,632)
<b>Total comprehensive income for the period</b>	45,844	11,569	(912)	-	2,011	58,512	-	58,512
Purchase of treasury shares	-	-	(1)	-	-	(1)	-	(1)
<b>Total transactions with owners of the Company</b>	-	-	(1)	-	-	(1)	-	(1)
At 31 January 2014	45,844	11,569	(913)	-	2,011	58,511	-	58,511
<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 for the period	-	-	-	-	45	45	-	45
<b>Total comprehensive income for the period</b>	45,844	11,569	(909)	-	7,037	63,541	-	63,541
At 31 January 2013	45,844	11,569	(909)	-	7,037	63,541	-	63,541

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2013 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 THREE MONTHS ENDED 31 JANUARY 2014**

	<b>(Unaudited) 31-Jan-14 RM'000</b>	<b>(Unaudited) 31-Jan-13 RM'000</b>
(Loss)/ profit before tax from continuing operations	(1,632)	39
Adjustments for		
Non-cash items	1,210	1,040
Non-operating items	92	51
Operating (loss)/ profit before changes in working capital	(330)	1,130
Changes in working capital		
- Net changes in current assets	776	(841)
- Net changes in current liabilities	(1,569)	(399)
Tax paid	(15)	30
Net cash generated from operating activities	(1,138)	(80)
<b>Cash flow from investing activities</b>		
- Purchase of plant and equipment (Note 1)	(253)	(2,364)
- Proceeds from disposal of plant and equipment	-	36
- Interest received	33	41
Net cash used in investing activities	(220)	(2,287)
<b>Cash flow from financing activities</b>		
- Repayment of hire purchase obligations	(942)	(638)
- Acquisition of treasury shares	(1)	-
- Interest paid	(125)	(92)
- Drawdown of HP	735	1,674
Net cash used in financing activities	(333)	944
Net decrease in cash and cash equivalents	(1,691)	(1,423)
Cash and cash equivalents at the beginning of financial period	6,768	8,517
Cash and cash equivalents at end of financial period	5,077	7,094

**NOTE**

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

	<b>RM'000</b>	<b>RM'000</b>
Short term deposit placed with licensed banks	4,550	5,600
Cash and bank balances	527	1,494
	5,077	7,094

**Note 1**

During the 3 months ended 31 January 2014, the Group acquired plant and equipment with an aggregate cost of RM253,000 (3 months ended 31 January 2013: RM2,364,000) of which RM253,000 was paid by cash (3 months ended 31 January 2013: RM690,000 by cash). There is no plant and equipment was acquired by means of hire purchase (3 months ended 31 January 2013: RM1,674,000 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 2013 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 2014**

**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”), Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards 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 2013.

**2. Audit qualification**

There were no qualifications on the audit report of the financial statements for the financial year ended 31 October 2013.

**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 2014**

**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 2014 are as follows:-

	<b>Number of Shares</b>	<b>Total Amount Paid RM</b>
Balance of treasury shares as at 01 November 2013	1,947,900	912,157
Shares bought back during the period	1,000	641
Balance of treasury shares as at 31 January 2014	<u>1,948,900</u>	<u>912,798</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 2014 (31 January 2013: 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. (Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating segment.)

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 THREE MONTHS ENDED**  
**31 JANUARY 2014**

**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 & South	Europe	Others	Consolidated Total
	Malaysia	Outside Malaysia	America	Europe	Others	Total
	RM	RM	RM	RM	RM	RM
As at 31 January 2014						
Revenue from external customers	2,935,478	1,556,842	175,087	315,455	112,684	5,095,546
Non-current assets	50,227,537	-	-	-	-	50,227,537

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

Operating (loss)/ profit is arrived:

	Current Year Quarter 31 Jan 14 (Unaudited) RM	Current Year To Date 31 Jan 14 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,200,266	1,200,266
Interest expense	125,389	125,389
Plant and equipment written off	9,533	9,533
And crediting:		
Interest income	33,009	33,009
Gain on foreign exchange - realized	47,509	47,509
Gain on foreign exchange - unrealized	48,106	48,106

**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 2014**

**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 RM33,873,000 and RM7,575,000 respectively (31 January 2013: Credit facilities to RM30,066,721 Hire purchase facilities RM6,455,000).

**13. Capital commitments**

	31 Jan 2014 (Unaudited) RM
Capital expenditure commitments	
Plant & equipment	
Contracted but not provided for in the financial statements	<u>123,400</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 by RM1,671,000 from a profit before tax of RM39,000 to a loss before tax of RM1,632,000. This was mainly due to the Group's revenue reduced to RM5,096,000 from RM7,655,000 in the corresponding quarter of the preceding year. The decrease in revenue was mainly due to global economy slowdown causing customers' demand dropped by approximately 30%.

**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 RM78,000 from a loss before tax of RM1,554,000 in the immediate preceding quarter to a loss before tax of RM1,632,000 in the current quarter. This was mainly due to drop in revenue.

**16. Prospects**

The Group expects the business environment to remain uncertain and competitive in the remaining quarters of this 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 THREE MONTHS ENDED  
31 JANUARY 2014**

**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 Jan 14 (Unaudited)	Preceding year quarter 31 Jan 13 (Unaudited)	Cumulative year to date 31 Jan 14 (Unaudited)	Preceding year quarter 31 Jan 13 (Unaudited)
Tax expense				
- current tax	-	-	-	-
- prior year tax	-	(6)	-	(6)
Deferred tax				
- origination of temporary differences	-	-	-	-
- prior year	-	-	-	-
	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(6)</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 2014 are as follows:

	31 Jan 14 (Unaudited) RM'000	31 October 13 (Audited) RM'000
Current:		
Hire Purchase	<u>3,535</u>	<u>3,581</u>
Non-Current		
Hire Purchase	<u>4,040</u>	<u>4,201</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 2014

**22. Proposed dividends**

The directors do not recommend any interim dividend for the financial period ended 31 January 2014.

**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 Jan 14 <u>(Unaudited)</u>	Cumulative Quarter 31 Jan 14 <u>(Unaudited)</u>
Net loss for the period attributable to shareholders (RM'000)	(1,632)	(1,632)
Shares in circulation ('000)	89,739	89,739
Basic loss per ordinary share (sen)	(1.82)	(1.82)

**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 2014 and 31 October 2013 are analyzed as follows:

	Current Year To Date 31 January 14 <u>(Unaudited)</u>	Preceding Year To Date 31 Oct 2013 <u>(Audited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	2,039,710	3,719,742
- Unrealised	(28,376)	(76,482)
Total group retained profits as per consolidated financial statements	2,011,334	3,643,260

By order of the board

Dato' Wong Kem Woh  
Chairman & Chief Executive Officer  
24 March 2014