



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 TWELVE MONTHS ENDED 31 OCTOBER 2014**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Oct-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-13 RM'000	CURRENT YEAR TO DATE 31-Oct-14 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31-Oct-13 RM'000
Continuing operations				
Revenue	8,027	6,666	26,670	30,048
Operating loss	(1,196)	(1,457)	(4,776)	(3,071)
Finance costs	(91)	(134)	(442)	(448)
Interest income	12	37	92	151
Loss before tax	(1,275)	(1,554)	(5,126)	(3,368)
Tax expense	(20)	27	(21)	19
Loss for the period	(1,295)	(1,527)	(5,147)	(3,349)
Other Comprehensive (Expense) / Income, net of tax	-	-	-	-
Total Comprehensive Expense	(1,295)	(1,527)	(5,147)	(3,349)
Loss for the year representing total comprehensive expense for the year attributable to owners of the Company	(1,295)	(1,527)	(5,147)	(3,349)
Basic loss per ordinary share (sen) - Note 23	(1.41)	(1.70)	(5.62)	(3.73)

The condensed consolidated statements of profit or loss and other comprehensive income 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 FINANCIAL POSITION
AS AT 31 OCTOBER 2014

	Note	(Unaudited) As at end of current quarter 31-Oct-14 RM'000	(Audited) As at preceding financial year end 31-Oct-13 RM'000
ASSETS			
Property, plant and equipment		48,617	51,184
Total non-current assets		<u>48,617</u>	<u>51,184</u>
Inventories		8,668	9,765
Trade and other receivables		6,706	4,825
Current tax assets		192	318
Cash and cash equivalents		2,465	6,768
Total current assets		<u>18,031</u>	<u>21,676</u>
Total Assets		<u><u>66,648</u></u>	<u><u>72,860</u></u>
EQUITY			
Share capital		45,844	45,844
Treasury shares		(59)	(912)
Reserves		10,561	15,212
Total equity attributable to equity holders of the Company		<u>56,346</u>	<u>60,144</u>
Total Equity		<u>56,346</u>	<u>60,144</u>
LIABILITIES			
Bank borrowings	20	3,052	4,201
Deferred tax liabilities		-	37
Total non-current liabilities		<u>3,052</u>	<u>4,238</u>
Trade and other payables		4,715	4,897
Bank borrowings	20	2,535	3,581
Total current liabilities		<u>7,250</u>	<u>8,478</u>
Total liabilities		<u>10,302</u>	<u>12,716</u>
Total equity and liabilities		<u><u>66,648</u></u>	<u><u>72,860</u></u>
Net Asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.62</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 TWELVE MONTHS ENDED 31 OCTOBER 2014

(The figures have not been audited)

	Non-distributable				Distributable			
	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	Non-controlling interests RM'000	Total Equity RM'000
12 months ended 31 October 2014 (Unaudited)								
At 1 November 2013	45,844	11,569	(912)	-	3,643	60,144	-	60,144
Total comprehensive expense for the period	-	-	-	-	(5,147)	(5,147)	-	(5,147)
Total comprehensive income for the period	45,844	11,569	(912)	-	(1,504)	54,997	-	54,997
Resale of treasury shares	-	496	853	-	-	1,349	-	1,349
Total transactions with owners of the Company	-	496	853	-	-	1,349	-	1,349
At 31 October 2014	45,844	12,065	(59)	-	(1,504)	56,346	-	56,346
12 months ended 31 October 2013 (Audited)								
At 1 November 2012	45,844	11,569	(909)	-	6,992	63,496	-	63,496
Total comprehensive expense for the period	-	-	-	-	(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

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 TWELVE MONTHS ENDED 31 OCTOBER 2014**

	(Unaudited) 31-Oct-14 RM'000	(Audited) 31-Oct-13 RM'000
Loss before tax from continuing operations	(5,126)	(3,368)
Adjustments for		
Non-cash items	4,842	4,219
Non-operating items	350	298
Operating profit before changes in working capital	66	1,149
Changes in working capital		
- Net changes in current assets	(784)	2,239
- Net changes in current liabilities	(182)	(343)
Tax refundable	68	93
Net cash (used in)/ generated from operating activities	(832)	3,138
Cash flow from investing activities		
- Purchase of plant and equipment (Note 1)	(1,021)	(1,688)
- Proceeds from disposal of plant and equipment	281	230
- Interest received	92	151
Net cash used in investing activities	(648)	(1,307)
Cash flow from financing activities		
- Repayment of hire purchase obligations	(3,730)	(3,129)
- Acquisition of treasury shares	(5)	(3)
- Proceed from sale of treasury shares	1,354	-
- Interest paid	(442)	(448)
Net cash (used in)/ generated from financing activities	(2,823)	(3,580)
Net decrease in cash and cash equivalents	(4,303)	(1,749)
Cash and cash equivalents at the beginning of financial period	6,768	8,517
Cash and cash equivalents at end of financial period	2,465	6,768

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	1,350	5,000
Cash and bank balances	1,115	1,768
	2,465	6,768

Note 1

During the 12 months ended 31 October 2014, the Group acquired plant and equipment with an aggregate cost of RM2,556,000 (12 months ended 31 October 2013: RM7,180,000) of which RM1,021,000 was paid by cash (12 months ended 31 October 2013: RM1,688,000 by cash). The balance of RM1,535,000 was acquired by means of hire purchase (12 months ended 31 October 2013: RM5,492,000 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 TWELVE MONTHS ENDED
31 OCTOBER 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 TWELVE MONTHS ENDED
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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 2014 are as follows:-

	Number of Shares	Total Amount Paid RM
Balance of treasury shares as at 01 November 2013	1,947,900	912,157
Shares bought back during the period	9,000	5,343
Resale of treasury shares during the period	(1,830,000)	(858,011)
Balance of treasury shares as at 31 October 2014	<u>126,900</u>	<u>59,489</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 2014 (31 October 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. Operating segment information has not been prepared as the Group's revenue and operating profit before tax are mainly based on 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 TWELVE MONTHS ENDED
31 OCTOBER 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 Oct 2014						
Revenue from external customers	17,065,971	5,678,093	721,194	2,367,910	836,927	26,670,095
Non-current assets	48,617,187	-	-	-	-	48,617,187

9. Operating loss

Operating loss is arrived:

	Current Year Quarter 31 Oct 14 (Unaudited) RM	Current Year To Date 31 Oct 14 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,226,294	4,844,620
Interest expense	90,624	441,532
Plant and equipment written off	6,749	16,282
And crediting:		
Interest income	12,108	92,435
Gain on disposal of property, plant and equipment	15,521	18,521
Gain on foreign exchange - realized	6,459	70,344
Gain on foreign exchange - unrealized	30,664	55,621

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 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 RM32,370,000 and RM5,587,000 respectively (31 October 2013: Credit facilities of RM34,238,000 and Hire purchase facilities RM7,782,000).

13. Capital commitments

	31 Oct 2014 (Unaudited) RM
Capital expenditure commitments	
Plant & equipment	
Contracted but not provided for in the financial statements	<u>232,000</u>

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

14. Review of performance for current quarter and preceding year corresponding quarter

For the quarter under review as compared to its preceding year corresponding quarter, the Group's loss before tax was reduced by RM279,000 from a loss before tax of RM1,554,000 in the preceding year corresponding quarter to a loss before tax of RM1,275,000 in the current quarter. This was mainly due to the better control on the operating cost in the current quarter.

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 RM204,000 from a loss before tax of RM1,071,000 in the immediate preceding quarter to a loss before tax of RM1,275,000 in the current quarter. This was because of the increase in the Group's operating loss by RM212,000 as compared to the operating loss of RM984,000 in the immediate preceding quarter to the operating loss of RM1,196,000 in the current quarter.

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 TWELVE MONTHS ENDED
31 OCTOBER 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 Oct 14 (Unaudited)	Preceding year quarter 31 Oct 13 (Audited)	Cumulative year to date 31 Oct 14 (Unaudited)	Preceding year quarter 31 Oct 13 (Audited)
Tax expense				
- current tax	26	-	26	-
- prior year tax	30	34	31	42
Deferred tax				
- origination of temporary differences	(35)	(55)	(35)	(55)
- prior year	(1)	(6)	(1)	(6)
	<u>20</u>	<u>(27)</u>	<u>21</u>	<u>19</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 2014 are as follows:

	31 October 14 (Unaudited) RM'000	31 October 13 (Audited) RM'000
Current:		
Hire Purchase	<u>2,535</u>	<u>3,581</u>
Non-Current		
Hire Purchase	<u>3,052</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.

22. Proposed dividends

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



NOTES TO THE INTERIM FINANCIAL REPORT
FOR TWELVE MONTHS ENDED
31 OCTOBER 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 Oct 14 <u>(Unaudited)</u>	Cumulative Quarter 31 Oct 14 <u>(Unaudited)</u>
Net loss for the period attributable to shareholders (RM'000)	(1,295)	(5,147)
Shares in circulation ('000)	91,561	91,561
Basic loss per ordinary share (sen)	(1.41)	(5.62)

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 2014 and 31 October 2013 are analyzed as follows:

	Current Year To Date 31 Oct 14 <u>(Unaudited)</u>	Preceding Year To Date 31 Oct 2013 <u>(Audited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	(1,519,258)	3,719,742
- Unrealised	15,813	(76,482)
Total group retained profits as per consolidated financial statements	(1,503,445)	3,643,260

By order of the board

Dato' Wong Kem Woh
Chairman & Chief Executive Officer
22 December 2014