



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2015**  
*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Oct-15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-14 RM'000	CURRENT YEAR TO DATE 31-Oct-15 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31-Oct-14 RM'000
<b>Continuing operations</b>				
Revenue	8,281	8,027	29,623	26,670
Operating loss	(1,183)	(1,196)	(3,079)	(4,776)
Finance costs	(73)	(91)	(337)	(442)
Interest income	3	12	32	92
Loss before tax	(1,253)	(1,275)	(3,384)	(5,126)
Tax expense	(35)	(20)	(35)	(21)
Loss for the period	(1,288)	(1,295)	(3,419)	(5,147)
Other Comprehensive (Expense)/ Income, net of tax	-	-	-	-
Total Comprehensive expense	(1,288)	(1,295)	(3,419)	(5,147)
Loss for the year representing total comprehensive (expenses)/ income for the year attributable to :				
Owners of the Company	(1,299)	(1,295)	(3,435)	(5,147)
Non-controlling interest	11	-	16	-
	(1,288)	(1,295)	(3,419)	(5,147)
Basic loss per ordinary share (sen) - Note 23	(1.43)	(1.42)	(3.77)	(5.65)

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 2014 and the accompanying explanatory notes set out on pages 5 to 10 which form an integral part of this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2015**

	Note	(Unaudited) As at end of current quarter 31-Oct-15 RM'000	(Audited) As at preceding financial year end 31-Oct-14 RM'000
<b>ASSETS</b>			
Property, plant and equipment		44,073	45,153
Investment properties		3,397	3,464
Total non-current assets		<u>47,470</u>	<u>48,617</u>
Inventories		10,992	8,669
Trade and other receivables		8,578	6,706
Current tax assets		205	192
Cash and cash equivalents		661	2,465
Total current assets		<u>20,436</u>	<u>18,032</u>
<b>Total Assets</b>		<u><u>67,906</u></u>	<u><u>66,649</u></u>
<b>EQUITY</b>			
Share capital		45,844	45,844
Treasury shares		(68)	(59)
Reserves		7,126	10,561
Total equity attributable to equity holders of the Company		<u>52,902</u>	<u>56,346</u>
Non-controlling interest		41	-
Total Equity		<u>52,943</u>	<u>56,346</u>
<b>LIABILITIES</b>			
Bank borrowings	20	2,606	3,052
Total non-current liabilities		<u>2,606</u>	<u>3,052</u>
Trade and other payables		10,237	4,716
Bank borrowings	20	2,120	2,535
Total current liabilities		<u>12,357</u>	<u>7,251</u>
Total liabilities		<u>14,963</u>	<u>10,303</u>
<b>Total equity and liabilities</b>		<u><u>67,906</u></u>	<u><u>66,649</u></u>
Net Asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.58</u>	<u>0.62</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2014 and the accompanying explanatory notes set out on pages 5 to 10 which form an integral part of this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2015**

*(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	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31 October 2015 (Unaudited)</b>								
At 1 November 2014	45,844	12,065	(59)	-	(1,504)	56,346	-	56,346
Total comprehensive (expense)/ income for the period	-	-	-	-	(3,435)	(3,435)	16	(3,419)
<b>Total comprehensive income/ (expenses) for the period</b>	<b>45,844</b>	<b>12,065</b>	<b>(59)</b>	<b>-</b>	<b>(4,939)</b>	<b>52,911</b>	<b>16</b>	<b>52,927</b>
Purchase of treasury shares	-	-	(9)	-	-	(9)	-	(9)
Proceed from issue of shares to non-controlling interest	-	-	-	-	-	-	25	25
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>25</b>	<b>16</b>
At 31 October 2015	45,844	12,065	(68)	-	(4,939)	52,902	41	52,943
<b>12 months ended 31 October 2014 (Audited)</b>								
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)
<b>Total comprehensive income/ (expenses) for the period</b>	<b>45,844</b>	<b>11,569</b>	<b>(912)</b>	<b>-</b>	<b>(1,504)</b>	<b>54,997</b>	<b>-</b>	<b>54,997</b>
Resale of treasury shares	-	496	853	-	-	1,349	-	1,349
Total transactions to 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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2014 and the accompanying explanatory notes set out on pages 5 to 10 which form an integral part of this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2015**

	(Unaudited) 31-Oct-15 RM'000	(Audited) 31-Oct-14 RM'000
Loss before tax from continuing operations	(3,384)	(5,126)
Adjustments for		
Non-cash items	5,080	4,842
Non-operating items	305	350
Operating profit before changes in working capital	2,001	66
Changes in working capital		
- Net changes in current assets	(4,195)	(786)
- Net changes in current liabilities	5,921	(180)
Tax paid	(48)	68
Net cash from / (used in) operating activities	3,679	(832)
<b>Cash flow from investing activities</b>		
- Purchase of plant and equipment (Note 1)	(2,945)	(1,021)
- Proceeds from disposal of plant and equipment	30	281
- Interest received	32	92
- Proceed from issue of shares to non-controlling interest	25	-
Net cash used in investing activities	(2,858)	(648)
<b>Cash flow from financing activities</b>		
- Repayment of hire purchase obligations	(2,909)	(3,730)
- Acquisition of treasury shares	(9)	(5)
- Proceed from sale of treasury shares	-	1,354
- Interest paid	(337)	(442)
Net cash used in financing activities	(3,255)	(2,823)
Net decrease in cash and cash equivalents	(2,434)	(4,303)
Cash and cash equivalents at the beginning of financial period	2,465	6,768
Cash and cash equivalents at end of financial period	31	2,465

**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
Cash and bank balances	661	1,115
Bank Overdraft	(630)	-
	31	2,465

**Note 1**

During the 12 months ended 31 October 2015, the Group acquired plant and equipment with an aggregate cost of RM3,963,000 (12 months ended 31 October 2014: RM2,556,000) of which RM2,945,000 was paid by cash (12 months ended 31 October 2014: RM1,021,000 by cash). The balance of RM1,018,000 was acquired by means of hire purchase (12 months ended 31 October 2014: RM1,535,000 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 2014 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 2015**

**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 2014.

**2. Audit qualification**

There were no qualifications on the audit report of the financial statements for the financial year ended 31 October 2014.

**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.

**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 2015 are as follows:-

	<b>Number of Shares</b>	<b>Total Amount Paid RM</b>
Balance of treasury shares as at 01 November 2014	126,900	59,489
Shares bought back during the period	15,000	8,244
Balance of treasury shares as at 31 October 2015	<u>141,900</u>	<u>67,733</u>



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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 2015 (31 October 2014: 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.

	<b>Asia</b>		<b>North &amp; South</b>			<b>Consolidated</b>
	<b>Malaysia</b>	<b>Outside</b>	<b>America</b>	<b>Europe</b>	<b>Others</b>	<b>Total</b>
	<b>RM</b>	<b>Malaysia</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>RM</b>				
Revenue from external customers	19,864,310	5,569,147	881,512	2,602,465	705,232	29,622,666
Non-current assets	47,470,008	-	-	-	-	47,470,008



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**9. Operating loss**

Operating loss is arrived:

	Current Year Quarter 31 October 15 (Unaudited) RM	Current Year To Date 31 October 15 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,282,466	5,063,644
Interest expense	73,482	337,539
Plant and equipment written off	21,000	46,460
And crediting:		
Interest income	2,633	31,996
Gain on disposal of property, plant and equipment	20,000	30,000
Gain on foreign exchange - realized	67,373	402,915
Gain on foreign exchange - unrealized	82,164	10,910

**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.

**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 RM26,417,000 and RM4,726,000 respectively (31 October 2014: Credit facilities of RM32,260,000 and Hire purchase facilities RM5,587,000).

**13. Capital commitments**

	31 October 2015 (Unaudited) RM
Capital expenditure commitments	
Plant & equipment	
Contracted but not provided for in the financial statements	<u>5,500</u>



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**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 RM22,000 from a loss before tax of RM1,275,000 in the preceding year corresponding quarter to a loss before tax of RM1,253,000 in the current quarter. This was mainly due to an increase in the revenue and improvement on monitoring on the Group's 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 RM872,000 from a loss before tax of RM381,000 in the immediate preceding quarter to a loss before tax of RM1,253,000 in the current quarter. This was because of provision made for slow moving inventories in the current quarter.

**16. Prospects**

The Group expects the business environment to remain competitive in the coming quarters of the 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.

**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 15 (Unaudited)	Preceding year quarter 31 Oct 14 (Unaudited)	Cumulative year to date 31 Oct 15 (Unaudited)	Preceding year to date 31 Oct 14 (Unaudited)
Tax expense				
- current tax	35	26	35	26
- prior year tax	-	30	-	31
Deferred tax				
- origination of temporary differences	-	(35)	-	(35)
- prior year	-	(1)	-	(1)
	<u>35</u>	<u>20</u>	<u>35</u>	<u>21</u>





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**19. Status of corporate proposals**

On 30 September 2015, the Group announced its decision to abort the fund raising exercise, being the Proposed Rights Issue of Shares and the Proposed Special Issue. The decision to abort was mutually agreed by both parties after taking into consideration the current market sentiment and market volatility. The termination of the JVA will not result in any financial impact to WECB in terms of the effect on earnings per share and net asset per share, respectively.

**20. Bank borrowings**

The bank borrowings as at 31 October 2015 are as follows:

	31 Oct 15 (Unaudited) RM'000	31 Oct 14 (Audited) RM'000
Current:		
Hire Purchase	1,490	2,535
Bank Overdraft	630	-
Non-Current		
Hire Purchase	2,606	3,052

**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 2015.

**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 15 (Unaudited)	Cumulative Quarter 31 Oct 15 (Unaudited)
Net loss for the period attributable to shareholders (RM'000)	(1,299)	(3,435)
Shares in circulation ('000)	91,066	91,066
Basic loss per ordinary share (sen)	(1.43)	(3.77)



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**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 2015 and 31 October 2014 are analyzed as follows:

	Current Year To Date 31 October 15 <u>(Unaudited)</u>	Preceding Year To Date 31 Oct 2014 <u>(Audited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	(4,965,627)	(1,519,258)
- Unrealised	26,724	15,813
Total group accumulated losses as per consolidated financial statements	<u>(4,938,903)</u>	<u>(1,503,445)</u>

By order of the board

Dato' Wong Kem Woh  
Chairman & Chief Executive Officer  
22 December 2015