



**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 2016**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Oct-16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-15 RM'000	CURRENT YEAR TO DATE 31-Oct-16 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31-Oct-15 RM'000
Continuing operations				
Revenue	7,770	8,281	33,087	29,623
Operating loss	(1,411)	(1,183)	(351)	(3,079)
Finance costs	(81)	(73)	(297)	(337)
Interest income	1	3	7	32
Loss before tax	(1,491)	(1,253)	(641)	(3,384)
Tax expense	1,366	(35)	1,366	(35)
(Loss)/Profit for the period	(125)	(1,288)	725	(3,419)
Other Comprehensive (expense)/income, net of tax	-	-	-	-
Total Comprehensive (expense)/income	(125)	(1,288)	725	(3,419)
(Loss)/Profit for the year representing total comprehensive (expenses)/income for the year attributable to :				
Owners of the Company	(130)	(1,299)	715	(3,435)
Non-controlling interest	5	11	10	16
	(125)	(1,288)	725	(3,419)
Basic (loss)/earnings per ordinary share (sen) - Note 23	(0.14)	(1.43)	0.78	(3.77)

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 2015 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 2016**

	Note	(Unaudited) As at end of current quarter 31-Oct-16 RM'000	(Audited) As at preceding financial year end 31-Oct-15 RM'000
ASSETS			
Property, plant and equipment		40,999	44,073
Investment properties		3,330	3,397
Deferred tax asset		1,371	-
Total non-current assets		<u>45,700</u>	<u>47,470</u>
Inventories		9,745	10,992
Trade and other receivables		7,419	8,578
Current tax assets		140	205
Cash and cash equivalents		2,113	661
Total current assets		<u>19,417</u>	<u>20,436</u>
Total Assets		<u><u>65,117</u></u>	<u><u>67,906</u></u>
EQUITY			
Share capital		45,844	45,844
Treasury shares		(70)	(68)
Reserves		7,841	7,126
Total equity attributable to equity holders of the Company		<u>53,615</u>	<u>52,902</u>
Non-controlling interest		51	41
Total Equity		<u>53,666</u>	<u>52,943</u>
LIABILITIES			
Bank borrowings	20	2,896	2,606
Other payables		607	1,233
Total non-current liabilities		<u>3,503</u>	<u>3,839</u>
Trade and other payables		6,246	9,004
Bank borrowings	20	1,702	2,120
Total current liabilities		<u>7,948</u>	<u>11,124</u>
Total liabilities		<u>11,451</u>	<u>14,963</u>
Total equity and liabilities		<u><u>65,117</u></u>	<u><u>67,906</u></u>
Net Asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.59</u>	<u>0.58</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2015 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 2016**
(The figures have not been audited)

	Non-distributable				Distributable		Non-controlling interests	Total Equity
	Attributable to shareholders of the Company					Total		
	Share Capital	Share Premium	Treasury Shares	Exchange Fluctuation Reserve	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 October 2016 (Unaudited)								
At 1 November 2015	45,844	12,065	(68)	-	(4,939)	52,902	41	52,943
Total comprehensive income for the period	-	-	-	-	715	715	10	725
Total comprehensive income/ (expenses) for the period	45,844	12,065	(68)	-	(4,224)	53,617	51	53,668
Purchase of treasury shares	-	-	(2)	-	-	(2)	-	(2)
Total transactions with owners of the Company	-	-	(2)	-	-	(2)	-	(2)
At 31 October 2016	45,844	12,065	(70)	-	(4,224)	53,615	51	53,666
12 months ended 31 October 2015 (Audited)								
At 1 November 2014	45,844	12,065	(59)	-	(1,504)	56,346	-	56,346
Total comprehensive expense for the period	-	-	-	-	(3,435)	(3,435)	16	(3,419)
Total comprehensive income/ (expenses) for the period	45,844	12,065	(59)	-	(4,939)	52,911	16	52,927
Purchase of treasury shares	-	-	(9)	-	-	(9)	-	(9)
Proceed from issue of share to non-controlling interest	-	-	-	-	-	-	25	25
Total transactions to owners of the Company	-	-	(9)	-	-	(9)	25	16
At 31 October 2015	45,844	12,065	(68)	-	(4,939)	52,902	41	52,943

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2015 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 2016**

	(Unaudited) 31-Oct-16 RM'000	(Audited) 31-Oct-15 RM'000
Loss before tax from continuing operations	(641)	(3,384)
Adjustments for		
Non-cash items	4,290	5,080
Non-operating items	290	305
Operating profit before changes in working capital	<u>3,939</u>	<u>2,001</u>
Changes in working capital		
- Net changes in current assets	2,407	(4,196)
- Net changes in current liabilities	(3,392)	3,642
Tax refund/(paid)	68	(48)
Net cash from operating activities	<u>3,022</u>	<u>1,399</u>
Cash flow from investing activities		
- Purchase of plant and equipment (Note 1)	(221)	(1,066)
- Proceeds from disposal of plant and equipment	1,200	30
- Interest received	7	32
- Proceed from issue of shares to non-controlling interest	-	25
Net cash from/(used in) investing activities	986	(979)
Cash flow from financing activities		
- Repayment of hire purchase obligations	(1,643)	(2,508)
- Acquisition of treasury share	(2)	(9)
- Interest paid	(297)	(337)
Net cash used in financing activities	(1,942)	(2,854)
Net increase/(decrease) in cash and cash equivalents	<u>2,066</u>	<u>(2,434)</u>
Cash and cash equivalents at the beginning of financial period	31	2,465
Cash and cash equivalents at end of financial period	<u><u>2,097</u></u>	<u><u>31</u></u>

NOTE

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

	RM'000	RM'000
Cash and bank balances	2,113	661
Bank Overdraft	(16)	(630)
	<u><u>2,097</u></u>	<u><u>31</u></u>

Note 1

During the 12 months ended 31 October 2016, the Group acquired plant and equipment with an aggregate cost of RM2,349,000 (12 months ended 31 October 2015: RM3,963,000) of which RM221,000 was paid by cash (12 months ended 31 October 2015: RM1,066,000 by cash). The balance of RM2,128,000 was acquired by means of hire purchase (12 months ended 31 October 2015: RM1,018,000 by hire purchase). The remaining sum of RM Nil (2015:RM1,879,234) was under a deferred payment scheme agreed with the machine vendor on a period of next 3 years and classified as a "other payable".

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 October 2015 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 2016

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 2015.

2. Audit qualification

There were no qualifications on the audit report of the financial statements for the financial year ended 31 October 2015.

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 2016 are as follows:-

	Number of Shares	Total Amount Paid RM
Balance of treasury shares as at 01 November 2015	141,900	67,733
Shares bought back during the period	5,000	2,646
Balance of treasury shares as at 31 October 2016	<u>146,900</u>	<u>70,379</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 2016 (31 October 2015: Nil).

8. Segmental revenue and results

The Group has one operating segment comprises mainly the manufacturing and sale of high precision metal stamped parts and high precision turned metal components. Segment information has not been separately presented because internal reporting used the Group's financial statements.

The Group's manufacturing activities are performed in Malaysia while sales and distribution activities are mainly performed at three principal geographical areas namely Asia 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.

	Asia				Consolidated
	Malaysia	Outside	Europe	Others	Total
	RM	Malaysia	RM	RM	RM
		RM			
Revenue from external customers	21,194,441	5,985,979	4,677,717	1,228,385	33,086,522
Non-current assets	44,328,640	-	-	-	44,328,640



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9. Operating loss

Operating loss is arrived:

	Current Year Quarter 31 October 16 (Unaudited) RM	Current Year To Date 31 October 16 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,139,353	4,715,580
Depreciation of investment property	16,788	67,151
Interest expense	81,154	297,013
And crediting:		
Interest income	808	6,771
Gain on disposal of property, plant and equipment	-	492,808
Gain on foreign exchange – unrealized	100,142	152,730
Gain on foreign exchange - realized	150,342	31,524

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 RM22,783,000 and RM4,597,000 respectively (31 October 2015: Credit facilities of RM26,417,000 and Hire purchase facilities RM4,726,000).

13. Capital commitments

	31 October 2016 (Unaudited) RM'000
Capital expenditure commitments	
Plant & equipment	
Contracted but not provided for in the financial statements	<u>365</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, the Group's loss before tax increased by RM238,000 from a loss before tax of RM1,253,000 in the preceding year corresponding quarter to a loss before tax of RM1,491,000 in the current quarter. This was due to lower revenue 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 RM1,572,000 from a profit before tax of RM81,000 in the immediate preceding quarter to a loss before tax of RM1,491,000 in the current quarter. This was due to lower revenue and higher expense incurred for the corporate exercise in the current quarter.

16. Prospects

The Group expects an improvement in revenue and a competitive business environment in the coming 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 16 (Unaudited)	Preceding year quarter 31 Oct 15 (Audited)	Cumulative year to date 31 Oct 16 (Unaudited)	Preceding year to date 31 Oct 15 (Audited)
Tax expense				
- current tax	18	35	18	35
- prior year tax	(13)	-	(13)	-
Deferred tax				
- origination and reversal of temporary differences	(1,371)	-	(1,371)	-
- prior year	-	-	-	-
	<u>(1,366)</u>	<u>35</u>	<u>(1,366)</u>	<u>35</u>

19. Status of corporate proposals

There are no corporate proposals announced or uncompleted as at the date of this announcement.



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20. Bank borrowings

The bank borrowings as at 31 October 2016 are as follows:

	31 October 16 (Unaudited) RM'000	31 Oct 15 (Audited) RM'000
Current:		
Hire Purchase	1,686	1,490
Bank Overdraft	<u>16</u>	<u>630</u>
Non-Current		
Hire Purchase	<u>2,896</u>	<u>2,606</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 2016.

23. (Loss)/earnings per share

Basic (loss)/earnings per share

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

	Current Quarter 31 October 16 (Unaudited)	Cumulative Quarter 31 October 16 (Unaudited)
Net (loss)/profit for the period attributable to shareholders (RM'000)	(130)	715
Shares in circulation ('000)	91,541	91,541
Basic (loss)/earnings per ordinary share (sen)	<u>(0.14)</u>	<u>0.78</u>

24. Related party transactions

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



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25. Realised and unrealised profits/losses disclosure

The retained profits as at 31 October 2016 and 31 October 2015 are analyzed as follows:

	Current Year To Date 31 Oct 16 <u>(Unaudited)</u>	Preceding Year To Date 31 Oct 2015 <u>(Audited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	(4,342,799)	(4,965,636)
- Unrealised	118,739	26,724
Total group accumulated losses as per consolidated financial statements	<u>(4,224,060)</u>	<u>(4,938,912)</u>

By order of the board

Yong Loy Huat
Managing Director
22 December 2016