



**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 SIX MONTHS ENDED 30 APRIL 2017**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Apr-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Apr-16 RM'000	CURRENT YEAR TO DATE 30-Apr-17 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 30-Apr-16 RM'000
Continuing operations				
Revenue	9,592	8,752	18,067	16,527
Operating profit	1,465	510	791	923
Finance costs	(70)	(73)	(191)	(155)
Interest income	6	1	7	1
Profit before tax	1,401	438	607	769
Tax expense	(27)	-	(27)	-
Profit for the period	1,374	438	580	769
Other Comprehensive (Expense)/ Income, net of tax	-	-	-	-
Total Comprehensive income	1,374	438	580	769
Profit for the year representing total comprehensive income for the year attributable to :				
Owners of the Company	1,357	435	559	763
Non-controlling interest	17	3	21	6
	1,374	438	580	769
Basic earning per ordinary share (sen) - Note 23	1.48	0.48	0.61	0.83

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 2016 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
AND ITS SUBSIDIARIES**
(Company No. 409959 - W)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017**

	Note	(Unaudited) As at end of current quarter 30-Apr-17 RM'000	(Audited) As at preceding financial year end 31-Oct-16 RM'000
ASSETS			
Property, plant and equipment		38,852	40,999
Investment properties		3,296	3,330
Deferred tax asset		1,371	1,371
Total non-current assets		43,519	45,700
Inventories		10,576	9,744
Trade and other receivables		6,858	7,419
Current tax assets		101	140
Cash and cash equivalents		3,299	2,112
Total current assets		20,834	19,415
Total Assets		64,353	65,115
EQUITY			
Share capital		57,909	45,844
Treasury shares		(70)	(70)
Reserves		(3,665)	7,841
Total equity attributable to equity holders of the Company		54,174	53,615
Non-controlling interest		71	50
Total Equity		54,245	53,665
LIABILITIES			
Other payables		293	607
Bank borrowings	20	2,164	2,896
Total non-current liabilities		2,457	3,503
Trade and other payables		4,871	6,246
Bank borrowings	20	2,780	1,701
Total current liabilities		7,651	7,947
Total liabilities		10,108	11,450
Total equity and liabilities		64,353	65,115
Net Asset per share attributable to ordinary equity holders of the Company (RM)		0.59	0.59

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2016 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
AND ITS SUBSIDIARIES**
(Company No. 409959-W)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 APRIL 2017**
(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	Earnings/ (Losses) Accumulated	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30 April 2017 (Unaudited)								
At 1 November 2016	45,844	12,065	(70)	-	(4,224)	53,615	50	53,665
Total comprehensive income for the period	-	-	-	-	559	559	21	580
Total comprehensive income/ (expenses) for the period	45,844	12,065	(70)	-	(3,665)	54,174	71	54,245
Purchase of treasury shares	-	-	-	-	-	-	-	-
Transfer in accordance with Section 618(2) of the Companies Act 2016 (Note 1)	12,065	(12,065)	-	-	-	-	-	-
Total transactions with owners of the Company	12,065	(12,065)	-	-	-	-	-	-
At 30 April 2017	57,909	-	(70)	-	(3,665)	54,174	71	54,245
6 months ended 30 April 2016 (Unaudited)								
At 1 November 2015	45,844	12,065	(68)	-	(4,939)	52,902	41	52,943
Total comprehensive income for the period	-	-	-	-	763	763	6	769
Total comprehensive income/ (expenses) for the period	45,844	12,065	(68)	-	(4,176)	53,665	47	53,712
Purchase of treasury shares	-	-	(2)	-	-	(2)	-	(2)
Total transactions to owners of the Company	-	-	(2)	-	-	(2)	-	(2)
At 30 April 2016	45,844	12,065	(70)	-	(4,176)	53,663	47	53,710

Note 1

On 31 January 2017, in accordance with the Companies Act 2016, the concepts of "par value" and "authorised capital" were abolished and on that date, the shares of the Company ceased to have a par value. Consequently, any credit standing in the share premium accounts has been transferred to the share capital account. The Company has twenty-four months upon the commencement of Companies Act 2016 to utilise the credit.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2016 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
AND ITS SUBSIDIARIES**
(Company No. 409959-W)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30 APRIL 2017**

	(Unaudited) 30-Apr-17 RM'000	(Unaudited) 30-Apr-16 RM'000
Profit before tax from continuing operations	607	769
Adjustments for		
Non-cash items	2,695	2,370
Non-operating items	184	154
Operating profit before changes in working capital	3,486	3,293
Changes in working capital		
- Net changes in current assets	(271)	1,141
- Net changes in current liabilities	(1,690)	(2,127)
Tax refund/(paid)	12	(38)
Net cash from operating activities	1,537	2,269
Cash flow from investing activities		
- Purchase of plant and equipment (Note 1)	(514)	(250)
- Proceeds from disposal of plant and equipment	-	811
- Interest received	7	1
Net cash (used in)/from investing activities	(507)	562
Cash flow from financing activities		
- Repayment of hire purchase obligations	(837)	(868)
- Acquisition of treasury share	-	(2)
- Interest paid	(191)	(155)
- Drawdown of HP	-	159
Net cash used in financing activities	(1,028)	(866)
Net increase in cash and cash equivalents	2	1,965
Cash and cash equivalents at the beginning of financial period	2,097	31
Cash and cash equivalents at end of financial period	2,099	1,996

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	-	700
Cash and bank balances	3,299	1,857
Bank Overdraft	(1,200)	(561)
	2,099	1,996

Note 1

During the 6 months ended 30 April 2017, the Group acquired plant and equipment with an aggregate cost of RM514,000 (6 months ended 30 April 2016: RM250,000) of which RM514,000 was paid by cash (6 months ended 30 April 2016: RM91,000 by cash). There is no plant and equipment acquired by means of hire purchase (6 months ended 30 April 2016: RM159,000 by hire purchase).

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 October 2016 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 SIX MONTHS ENDED
30 APRIL 2017

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 2016.

2. Audit qualification

There were no qualifications on the audit report of the financial statements for the financial year ended 31 October 2016.

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 30 April 2017 are as follows:-

	Number of Shares	Total Amount Paid RM
Balance of treasury shares as at 01 November 2016	146,900	70,379
Shares bought back during the period	-	-
Balance of treasury shares as at 30 April 2017	<u>146,900</u>	<u>70,379</u>



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 – W)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2017

All the shares bought are retained as treasury shares in accordance with the requirements of Section 127 of the Companies Act, 2016.

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 30 April 2017 (30 April 2016: Nil).

8. Segmental revenue and results

The Group has one operating segment comprising of 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, Europe and others.

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	11,699,702	2,647,882	3,085,175	634,185	18,066,944
Non-current assets	43,518,732	-	-	-	43,518,732



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 – W)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2017

9. Operating profit

Operating profit is arrived:

	Current Year Quarter 30 April 17 (Unaudited) RM	Current Year To Date 30 April 17 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,063,502	2,177,115
Depreciation of investment property	16,788	33,576
Interest expense	70,354	191,296
Loss on foreign exchange – unrealized	144,960	227,871
And crediting:		
Interest income	6,492	7,024
Gain on foreign exchange - realized	68,121	448,422

10. Material post balance sheet date events

There were no items, transaction 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 finance 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 RM4,944,000 respectively (30 April 2016: Credit facilities of RM21,452,000 and Hire purchase facilities RM3,947,000).

13. Capital commitments

	30 April 2017 (Unaudited) RM'000
Capital expenditure commitments	
Plant & equipment	
Contracted but not provided for in the financial statements	36



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 – W)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2017

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 profit before tax increased by RM963,000 from a profit before tax of RM438,000 in the preceding year corresponding quarter to a profit before tax of RM1,401,000 in the current quarter. This was due to an increase in revenue, reduction in cost of goods sold and financing cost in the current quarter.

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

The Group's profit before tax in the current quarter increased by RM2,195,000 from a loss before tax of RM794,000 in the immediate preceding quarter to a profit before tax of RM1,401,000 in the current quarter. This was due to a better control on the operating expenses and revenue increased by RM1,117,000 in the quarter under review.

16. Prospects

The Group expects an improvement in revenue and a competitive business environment 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 30 April 17 (Unaudited)	Preceding year quarter 30 April 16 (Unaudited)	Cumulative year to date 30 April 17 (Unaudited)	Preceding year to date 30 April 16 (Unaudited)
Tax expense				
- current tax	27	-	27	-
- prior year tax	-	-	-	-
Deferred tax				
- origination and reversal of temporary differences	-	-	-	-
- prior year	-	-	-	-
	<u>27</u>	<u>-</u>	<u>27</u>	<u>-</u>



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 – W)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2017

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 30 April 2017 and 31 October 2016 are as follows:

	30 April 17 <u>(Unaudited)</u> RM'000	31 October 16 <u>(Audited)</u> RM'000
Current:		
Hire Purchase	1,580	1,686
Bank Overdraft	<u>1,200</u>	<u>15</u>
Non-Current		
Hire Purchase	<u>2,164</u>	<u>2,896</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 30 April 2017.

23. Earnings per share

Basic earnings per share

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

	Current Quarter 30 April 17 <u>(Unaudited)</u>	Cumulative Quarter 30 April 17 <u>(Unaudited)</u>
Net profit for the period attributable to shareholders (RM'000)	1,357	559
Shares in circulation ('000)	91,541	91,541
Basic earnings per ordinary share (sen)	<u>1.48</u>	<u>0.61</u>



WONG ENGINEERING CORPORATION BERHAD
(Company No. 409959 – W)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30 APRIL 2017

24. Related party transactions

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

25. Realised and unrealised profits/losses disclosure

The retained profits as at 30 April 2017 and 31 October 2016 are analyzed as follows:

	Current Year To Date 30 April 17 <u>(Unaudited)</u>	Preceding Year To Date 31 Oct 2016 <u>(Audited)</u>
Total retained profits of the Company and the subsidiaries:		
- Realised	(3,624,113)	(4,342,800)
- Unrealised	(40,589)	118,739
Total group accumulated losses as per consolidated financial statements	<u>(3,664,702)</u>	<u>(4,224,061)</u>

By order of the board

Yong Loy Huat
Chief Executive Officer
09 June 2017