



**WONG ENGINEERING CORPORATION BERHAD  
AND ITS SUBSIDIARIES**

Reg No: 199601037606 (409959-W)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR NINE MONTHS ENDED 31 JULY 2020**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Jul 20 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 31 Jul 19 (RM'000)	CURRENT YEAR TO DATE 31 Jul 20 (RM'000)	PRECEDING YEAR CORRESPONDING TO DATE 31 Jul 19 (RM'000)
<b>Continuing operations</b>				
Revenue	19,348	16,266	46,175	42,122
Operating Profit/(Loss)	3,184	1,673	3,722	2,822
Finance costs	(200)	(287)	(693)	(554)
Interest income	145	83	796	295
Profit before tax	3,129	1,469	3,825	2,563
Tax Expense	(900)	(396)	(1,044)	(648)
Profit/(Loss) for the period	2,229	1,073	2,781	1,915
Other comprehensive income/(expense), net of tax	-	-	-	-
<b>Total comprehensive income/(expense)</b>	<b>2,229</b>	<b>1,073</b>	<b>2,781</b>	<b>1,915</b>
Profit/(Loss) for the year representing total comprehensive income/(expenses) for the year attributable to:				
Owners of the Company	2,231	1,074	2,785	1,921
Non-Controlling interest	(2)	(1)	(4)	(6)
	2,229	1,073	2,781	1,915
Basic earnings/losses per ordinary share (sen) - Note 23	1.99	0.95	2.49	1.69

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 2019 and the accompanying explanatory notes set out on pages 5 to 12 which forms an integral part of this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2020**

		Unaudited As at end of current quarter 31 Jul 2020 RM'000	Audited As at preceding financial year end 31 Oct 2019 RM'000
	Note		
<b>ASSETS</b>			
Property, plant and equipment		34,937	35,727
Investment properties		498	502
Deferred Tax assets		3,343	3,908
Total non-current assets		<u>38,778</u>	<u>40,137</u>
Inventories		12,211	11,608
Trade and other receivables		18,934	12,705
Other investments		2,363	2,945
Current tax assets		175	161
Cash and cash equivalents		27,924	31,591
Total current assets		<u>61,607</u>	<u>59,010</u>
<b>Total Assets</b>		<u>100,385</u>	<u>99,147</u>
<b>EQUITY</b>			
Share capital		57,909	57,909
Treasury shares		(1,862)	(1,050)
Reserves		13,584	11,912
Total equity equitable to equity holders of the Company		<u>69,631</u>	<u>68,771</u>
Non-controlling interest		35	39
<b>Total Equity</b>		<u>69,666</u>	<u>68,810</u>
<b>LIABILITIES</b>			
Bank borrowings	20	15,772	17,899
Total non-current liabilities		<u>15,772</u>	<u>17,899</u>
Trade and other payables		11,518	9,240
Bank borrowings	20	2,851	2,931
Current tax liabilities		578	267
Total current liabilities		<u>14,947</u>	<u>12,438</u>
<b>Total Liabilities</b>		<u>30,719</u>	<u>30,337</u>
<b>Total Equity and Liabilities</b>		<u>100,385</u>	<u>99,147</u>
Net asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.63</u>	<u>0.61</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2019 and the accompanying explanatory notes set out on pages 5 to 12 which forms an integral part of this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 31 JULY 2020**

*(The figures have not been audited)*

<----- Attributable to shareholders of the Company ----->

<--- Non-Distributable --->

	Share Capital RM'000	Treasury Shares RM'000	Distributable (Accumulated Losses)/Retained Earnings RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
<b>9 months ended 31 July 2020 (Unaudited)</b>						
At 1 November 2019	57,909	(1,050)	11,912	68,771	39	68,810
Total comprehensive income for the period	-	-	2,785	2,785	(4)	2,781
<b>Total comprehensive income/(expenses) for the period</b>	<b>57,909</b>	<b>(1,050)</b>	<b>14,697</b>	<b>71,556</b>	<b>35</b>	<b>71,591</b>
Purchase of treasury shares	-	(812)	-	(812)	-	(812)
Dividends paid	-	-	(1,113)	(1,113)	-	(1,113)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>(812)</b>	<b>(1,113)</b>	<b>(1,925)</b>	<b>-</b>	<b>(1,925)</b>
At 31 July 2020	57,909	(1,862)	13,584	69,631	35	69,666
<b>9 months ended 31 July 2019 (Unaudited)</b>						
At 1 November 2018	57,909	(368)	7,823	65,364	50	65,414
Total comprehensive income for the period	-	-	1,921	1,921	(6)	1,915
<b>Total comprehensive income/(expenses) for the period</b>	<b>57,909</b>	<b>(368)</b>	<b>9,744</b>	<b>67,285</b>	<b>44</b>	<b>67,329</b>
Purchase of treasury shares	-	(533)	-	(533)	-	(533)
Dividends paid	-	-	(1,699)	(1,699)	-	(1,699)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>(533)</b>	<b>1,699.00</b>	<b>(2,232)</b>	<b>-</b>	<b>(2,232)</b>
At 31 July 2019	57,909	(901)	8,045	65,053	44	65,097

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2019 and the accompanying explanatory notes set out on pages 5 to 12 which forms an integral part of this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE NINE MONTHS ENDED 31 JULY 2020**

	Unaudited 31 Jul 2020 RM'000	Unaudited 31 Jul 2019 RM'000
Profit before tax from continuing operations	3,825	2,564
Adjustments for:		
Non-cash items	3,457	2,603
Non-operating items	(672)	(91)
Operating profit before changes in working capital	6,610	5,076
Changes in working capital		
- Net changes in current assets	(6,832)	(1,330)
- Net changes in current liabilities	2,630	1,555
Dividend received	66	79
Tax (paid)/refund	(182)	(476)
Net cash from operating activities	2,292	4,904
<b>Cash flow from investing activities</b>		
- Purchase of machinery and equipment (Note 1)	(2,343)	(449)
- Proceeds from disposal of machinery and equipment	-	328
- Addition of other investments	(878)	(1,915)
- Proceeds from disposal of other investments	1,642	122
- Interest received	796	295
Net cash (used in)/from investing activities	(783)	(1,619)
<b>Cash flow from financing activities</b>		
- Repayment of other payables	(351)	(228)
- Repayment of hire purchase obligations	(707)	(1,084)
- Repayment of other borrowings	(1,500)	(833)
- Drawdown of other borrowings	-	20,000
- Dividend paid	(1,113)	(1,134)
- Purchase of treasury shares	(812)	(533)
- Interest paid	(693)	(554)
Net cash (used in)/from financing activities	(5,176)	15,634
Net increase in cash and cash equivalents	(3,667)	18,919
Cash and cash equivalents at beginning of financial period	31,591	9,185
Cash and cash equivalents at end of financial period	27,924	28,104

**Note** - Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following

Short term deposit placed with licensed banks	RM'000	24,761	24,358
Cash and bank balances	RM'000	3,163	3,746
		27,924	28,104

**Note 1**

During the financial period ended 31 July 2020, the Group acquired machinery and equipment (M&E) with an aggregate cost of RM2,343,000 (31 July 2019: RM2,721,000) of which RM2,343,000 was paid by cash (31 July 2019: RM449,000 by cash). There were no M&E acquired by means of hire purchase during the current financial period ended 31 July 2020 (31 July 2019: RM2,272,000).

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 October 2019 and the accompanying explanatory notes set out on pages 5 to 12 which forms an integral part of this interim financial report.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020**

**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.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2019 (“FYE19”). The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent audited financial statements for FYE19 except for adoption of the following accounting standards, amendments and interpretations that have been issued by the MASB and effective for this financial year:

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019***

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures

The adoptions of these new standards, amendments and interpretations does not have significant impact on the financial statements of the Group.

**2. Audit qualification**

There was no qualification on the audit report of the financial statements for the financial year ended 31 October 2019.

**3. Seasonal or cyclical factors**

The Group’s result is not significantly affected by any seasonal factors.

**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 were no material changes in the estimates used for the preparation of this interim financial report.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020****6. Changes in debt and equity securities**

There were no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period except for the following

During the financial period ended 31 July 2020, the Company repurchased 1,992,500 of its issued share capital from the open market for an average price of RM0.4076 per share. The repurchased transactions were financed by internally generated funds. 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 using cost method. The amount of consideration paid, including directly attributable costs, is recognised as costs and set off against equity.

The details of the treasury shares held as at 31 July 2020 are as follow:

	<b>Number of shares</b>	<b>Total Amount (RM)</b>
Balance of treasury shares as at 1 November 2019	1,818,200	1,049,685
Shares bought back during the period	1,992,500	812,162
<b>Balance of treasury shares as at 31 July 2020</b>	<b>3,810,700</b>	<b>1,861,847</b>

**7. Dividends paid**

The Company has reclassified its proposed single tier Final Dividend of 1.0 sen per ordinary share in respect of financial year ended 31 October 2019 to a single tier Second Interim Dividend of 1.0 sen per ordinary share for the financial year ended 31 October 2019. The dividend amounting to RM1,112,884 was paid on 8 May 2020 to the registered shareholders at the close of business on 17 April 2020.

**8. Segmental revenue and results**

For the purpose of management, the Group is organized into four operating segments which are manufacturing and sales of high precision stamped and turned metal parts, trading of environmental and health product, construction and property development (PD) and investment. For financial reporting purposes, the first two segments are combined and referred to as "Manufacturing" because both segments exhibit similar long-term performance. The following is an analysis of the Group's revenue and results by the reportable business segments for the period ended 31 July 2020.

	<b>Individual quarter for 3 months ended 31 July</b>							
	<b>Manufacturing</b>		<b>Construction &amp; PD</b>		<b>Investment</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	15,090	10,809	4,199	5,411	59	46	19,348	16,266
Segment profit/(loss) before tax	1,999	689	530	329	600	451	3,129	1,469
Depreciation and amortisation	1,040	999	3	2	-	-	1,043	1,001
Capital investment	373	194	12	3	-	-	385	197



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020**

**Segmental revenue and results (cont'd)**

	Cumulative 9 months ended 31 July							
	Manufacturing		Construction & PD		Investment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	36,978	33,219	9,131	8,824	66	79	46,175	42,122
Segment profit/(loss) before tax	2,746	1,185	867	445	212	934	3,825	2,564
Depreciation and amortisation	3,131	2,919	6	4	-	-	3,137	2,923
Capital investment	2,330	2,697	13	24	-	-	2,343	2,721

Revenue shown above represents revenue generated from external customers.

Segment total asset is used to measure the return on assets of each segment. Segment liabilities information is neither included in the internal management reports nor provided regularly to the management. Hence, no disclosure is made on segment liability.

	Manufacturing 31 Jul 2020 RM'000	Construction & PD 31 Jul 2020 RM'000	Investment 31 Jul 2020 RM'000	Unallocated assets 31 Jul 2020 RM'000	Total 31 Jul 2020 RM'000
Segment asset	81,166	7,600	11,619	-	100,385

  

	Manufacturing 31 Oct 2019 RM'000	Construction & PD 31 Oct 2019 RM'000	Investment 31 Oct 2019 RM'000	Unallocated assets 31 Oct 2019 RM'000	Total 31 Oct 2019 RM'000
Segment asset	88,584	6,754	3,809	-	99,147

The following is an analysis of the Group's revenue on the basis of geographical location of customers. Segmental assets are also based on the geographical locations of assets. The amounts of non-current assets do not include financial instruments and deferred tax assets

	Asia				Consolidated Total RM'000
	Malaysia RM'000	Outside Malaysia RM'000	Europe RM'000	Others RM'000	
Revenue from external customers	36,623	6,191	2,434	927	46,175
Non-current assets	35,435	-	-	-	35,435

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020****9. Operating profit**

Operating profit is derived as:

	<b>Current Quarter 31 July 2020 (Unaudited) RM</b>	<b>Current Year to Date 31 July 2020 (Unaudited) RM</b>
After charging:		
Depreciation of property, plant and equipment	1,041,690	3,132,949
Depreciation of investment properties	1,313	3,938
Interest expense	199,937	693,171
Loss on foreign exchange – unrealised	1,434	1,434
Loss on fair value on other investments	-	320,324
And crediting:		
Interest income	145,352	796,460
Gain on foreign exchange – realised	123,719	169,231
Gain on fair value on other investments	578,500	-
Gain on disposal of other investments	-	502,265

**10. Material post balance sheet 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 of 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**

The Company has given corporate guarantees of RM34,154,000 (31 July 2019: RM33,754,000) as security for banking facilities granted to certain subsidiaries of which RM18,352,000 (31 July 2019: RM21,073,000) were utilised as at the end of the reporting period.

**13. Capital commitments**

	<b>31 July 2020 RM'000 (Unaudited)</b>
Capital expenditure commitments	
Plant & equipment	
- Contracted but not provided for in the financial statements	<u>518</u>



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020****Part B: Additional Information Required by Bursa Malaysia Securities Berhad's Listing Requirements.****14. Review of performance for current quarter and preceding year corresponding quarter****Group performance**

	Individual Quarter 3 months ended 31 July				Cumulative Quarter 9 months ended 31 July			
	2020	2019	Variance		2020	2019	Variance	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	19,348	16,266	3,082	19%	46,175	42,122	4,053	10%
Profit before tax (PBT)	3,129	1,469	1,660	113%	3,825	2,564	1,261	49%

The Group's current quarter ended 31 July 2020 revenue increased RM3.08 million (up 19%) to RM19.35 million compared to RM16.27 million reported in the corresponding quarter of the preceding financial year. This is primarily driven by higher sales from Manufacturing as production ramps up to resolve backlog orders due to the MCO as well as higher progress billing from Construction as project work resumes operation beginning June.

The Group recorded profit before tax of RM3.13 million; an increase of RM1.66 million (up 113%) against RM1.47 million reported in the corresponding quarter of the preceding financial year. This was largely attributed to higher sales and profit achieved by Manufacturing on top of higher fair value gain from other investments during the current quarter.

**Segmental performance**

	Individual Quarter 3 months ended 31 July											
	Manufacturing				Construction & PD				Investment			
	2020	2019	Variance		2020	2019	Variance		2020	2019	Variance	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	15,090	10,809	4,281	40%	4,199	5,411	(1,212)	-22%	59	46	13	28%
Profit before tax	1,999	689	1,310	190%	530	329	201	61%	600	451	149	33%

**Manufacturing**

Revenue increase by RM4.28 million (up 40%) driven by higher sales as production ramps up to resolve accumulated backlog orders due to the MCO. Profit before tax increased RM1.31 million (+190%) as a result of higher sales.

**Construction & PD**

The work progress for construction project at Kuchai Lama has resumed in early June and recorded billings of RM4.20 million, a decrease of RM1.21 million (down 22%). The segment recorded a profit before tax of RM0.53 million representing approximately 61% increase due to revised margin.

**Investment**

Revenue is driven by dividends received from other investments. Profit before tax was driven by fair value gain on other investments as at 31 July 2020.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020**

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

**Group performance**

	Current Year Quarter	Immediate Preceding Quarter	Variance	
	31 Jul 2020 RM'000	30 Apr 2020 RM'000	RM'000	(%)
Revenue	19,348	10,858	8,490	78%
Profit before tax (PBT)	3,129	57	3,072	5389%

The Group's current quarter revenue grew by RM8.49 million (up 78%) to RM19.35 million from RM10.86 million reported in the immediate preceding quarter. This was largely driven by higher revenue from both Manufacturing and Construction & PD segment as production ramps up to meet demands from accumulated backlog orders as well as work resumption at the Kuchai Lama project. The Group's PBT of RM3.13 million expanded by RM3.07 million (up ~54 times) primarily due to higher revenue as well as fair value gain from a reversal of fair value loss on other investment recorded in the immediate preceding quarter.

**Segmental performance**

	Manufacturing				Construction & PD				Investment			
	31 Jul 2020 RM'000	30 Apr 2020 RM'000	Variance RM'000	(%)	31 Jul 2020 RM'000	30 Apr 2020 RM'000	Variance RM'000	(%)	31 Jul 2020 RM'000	30 Apr 2020 RM'000	Variance RM'000	(%)
Revenue	15,090	10,109	4,981	49%	4,199	749	3,450	461%	59	-	59	100%
Profit/(Loss) before tax	1,999	777	1,222	157%	530	(14)	544	3886%	600	(706)	1,306	185%

**Manufacturing**

Revenue grew RM4.98 million (up 49%) as production ramps up to resolve accumulated backlog orders due to MCO. The segment recorded profit before tax of RM1.99 million grew by RM1.22 million (up 157%) due to higher revenue achieved.

**Construction & PD**

Revenue increase RM3.45 million (up 461%) as project work resumes in early June. Consequently, the segment achieved profit before tax of RM0.53 million (up ~39 times).

**Investment**

Revenue was driven by dividends received from other investments. The profit before tax was due to the reversal of fair value loss of immediate preceding quarter.

**16. Prospects**

Amidst a difficult business environment brought about by the COVID-19 pandemic, the Group continue to focus on our core business and cost efficiency in order to maintain competitiveness. The Group is making efforts to expand into higher value-added manufacturing activities besides aiming to grow export sales and exploring diversification to support customers from various other industries. As work resumed for the Kuchai Lama project, the Group seeks out new projects and opportunities for expansion and growth in this segment to further enhance and maximize shareholders' value on top of striving to meet the targeted completion date. Premised on the above and barring any unforeseen circumstances, the Board is cautiously optimistic that the Group's prospect shall remain favourable for the financial year ending 31 October 2020.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020****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	
	3 months ended 31 July 2020	2019	9 months ended 31 July 2020	2019
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Tax expense				
- current year tax	335	118	479	587
- prior year tax	-	37	-	-
Deferred tax				
- origination and reversal of temporary differences	565	-	565	-
- prior year	-	(475)	-	(831)
	<u>900</u>	<u>(169)</u>	<u>1,044</u>	<u>(244)</u>

**19. Status of corporate proposals**

There were no significant corporate proposals for the current financial period to date except as follows:

The Company has announced on 1 April 2020 a proposed subscription of 875,000 new ordinary shares in Broadway Lifestyle Sdn. Bhd. ("BLSB") ("BLSB's share(s)"), representing 35.0% of the enlarged number of BLSB's shares in issue for RM875,000 and 35% or up to 14,875,000 new redeemable non-cumulative preference shares ("RNCPS") to be issued by BLSB at an issue price of RM1.00 for each RNCPS for an aggregate subscription price of up to RM14,875,000, all to be satisfied entirely via cash ("Proposed Subscription"). The Company has obtained approval from its shareholders in an Extraordinary General Meeting ("EGM") held on 22 July 2020. BLSB has on 7 September 2020 allotted the 875,000 BLSB's shares to the Company thus, marking the completion of the Proposed Subscription.

**20. Bank borrowings**

The bank borrowings as at 31 July 2020 are as follows:

	31 July 2020	31 October 2019
	RM'000	RM'000
	(Unaudited)	(Audited)
Current:		
Finance lease liabilities	851	931
Fixed loan	<u>2,000</u>	<u>2,000</u>
Non-Current:		
Finance lease liabilities	605	1,232
Fixed loan	<u>15,167</u>	<u>16,667</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2020****21. Changes in material litigation**

The Group is not engaged in any material litigation for the current financial year to date.

**22. Proposed dividends**

The Board of Directors had on even date declared a single tier first interim dividend of 0.75 sen per ordinary share for the financial year ending 31 October 2020. The dividend will be paid on 13 October 2020 to the registered shareholders at the close of business on 2 October 2020. This dividend has not been reflected in the financial statements for the current quarter ended 31 July 2020.

The proposed single tier final dividend of 1.0 sen per ordinary share in respect of financial year ended 31 October 2019 has been reclassified to a single tier second interim dividend of 1.0 sen per ordinary share for the financial year ended 31 October 2019. The dividend amounting to RM1,112,884 was paid on 8 May 2020 to the registered shareholders at the close of business on 17 April 2020.

**23. Earnings per share*****Basic earnings per share***

Basic earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares during the financial quarter/period.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended 31 July</b>	<b>3 months ended 31 July</b>	<b>9 months ended 31 July</b>	<b>9 months ended 31 July</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net profit attributable to shareholders (RM'000)	2,231	1,074	2,785	1,921
Weighted average number of ordinary shares in issue ('000)	112,040	113,415	112,040	113,415
Basic earnings per ordinary share (Sen)	1.99	0.95	2.49	1.69

**24. Related party transactions**

There were no significant related party transactions during the quarter and period under review save for:

<b>Paid to a company controlled by a Director and major shareholder of the Company</b>	<b>Mandate limit</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
		<b>3 months ended 31 Jul</b>	<b>3 months ended 31 Jul</b>	<b>9 months ended 31 Jul</b>	<b>9 months ended 31 Jul</b>
	<b>RM'000</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental charges	16	2	4	9	11
Project management fee	1,600	257	385	840	1,154
Rental charges of machineries and equipment	-	29	150	94	150

By order of the board

Yong Loy Huat  
Chief Executive Officer  
17 September 2020