



**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 TWELVE MONTHS ENDED 31 OCTOBER 2020**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Oct 20 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 31 Oct 19 (RM'000)	CURRENT YEAR TO DATE 31 Oct 20 (RM'000)	PRECEDING YEAR CORRESPONDING TO DATE 31 Oct 19 (RM'000)
Continuing operations				
Revenue	24,672	18,785	70,847	60,907
Operating Profit/(Loss)	1,084	2,764	4,806	5,586
Finance costs	(171)	(273)	(864)	(827)
Interest income	62	133	858	428
Share of profit/(loss) in associates after tax	(134)		(134)	
Profit before tax	841	2,624	4,666	5,187
Tax Expense	(470)	1,238	(1,514)	590
Profit/(Loss) for the period	371	3,862	3,152	5,777
Other comprehensive income/(expense), net of tax	-	-	-	-
Total comprehensive income/(expense)	371	3,862	3,152	5,777
Profit/(Loss) for the year representing total comprehensive income/(expenses) for the year attributable to:				
Owners of the Company	373	3,866	3,157	5,787
Non-Controlling interest	(2)	(4)	(5)	(10)
	371	3,862	3,152	5,777
Basic earnings/losses per ordinary share (sen) - Note 23	0.33	3.41	2.83	5.11

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 13 which forms an integral part of this interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2020

		Unaudited As at end of current quarter 31 Oct 2020 RM'000	Audited As at preceding financial year end 31 Oct 2019 RM'000
	Note		
ASSETS			
Property, plant and equipment		34,625	35,727
Investment properties		497	502
Investment in associates		8,616	-
Deferred Tax assets		3,313	3,908
Total non-current assets		<u>47,051</u>	<u>40,137</u>
Inventories		10,634	11,608
Trade and other receivables		22,686	12,705
Other investments		2,662	2,945
Current tax assets		263	161
Cash and cash equivalents		20,189	31,591
Total current assets		<u>56,434</u>	<u>59,010</u>
Total Assets		<u>103,485</u>	<u>99,147</u>
EQUITY			
Share capital		57,909	57,909
Treasury shares		(1,862)	(1,050)
Reserves		13,125	11,912
Total equity equitable to equity holders of the Company		<u>69,172</u>	<u>68,771</u>
Non-controlling interest		34	39
Total Equity		<u>69,206</u>	<u>68,810</u>
LIABILITIES			
Bank borrowings	20	15,040	17,899
Total non-current liabilities		<u>15,040</u>	<u>17,899</u>
Trade and other payables		15,973	9,240
Bank borrowings	20	2,859	2,931
Current tax liabilities		407	267
Total current liabilities		<u>19,239</u>	<u>12,438</u>
Total Liabilities		<u>34,279</u>	<u>30,337</u>
Total Equity and Liabilities		<u>103,485</u>	<u>99,147</u>
Net asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.62</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 13 which forms 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 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
<u>12 months ended 31 October 2020 (Unaudited)</u>						
At 1 November 2019	57,909	(1,050)	11,912	68,771	39	68,810
Total comprehensive income for the period	-	-	3,157	3,157	(5)	3,152
Total comprehensive income/(expenses) for the period	57,909	(1,050)	15,069	71,928	34	71,962
Purchase of treasury shares	-	(812)	-	(812)	-	(812)
Dividends paid	-	-	(1,944)	(1,944)	-	(1,944)
Total transactions with owners of the Company	-	(812)	(1,944)	(2,756)	-	(2,756)
At 31 October 2020	57,909	(1,862)	13,125	69,172	34	69,206
<u>12 months ended 31 October 2019 (Unaudited)</u>						
At 1 November 2018	57,909	(368)	7,823	65,364	50	65,414
Total comprehensive income for the period	-	-	5,787	5,787	(10)	5,777
Total comprehensive income/(expenses) for the period	57,909	(368)	13,610	71,151	40	71,191
Purchase of treasury shares	-	(682)	-	(682)	-	(682)
Dividends paid	-	-	(1,699)	(1,699)	-	(1,699)
Total transactions with owners of the Company	-	(682)	1,699.00	(2,381)	-	(2,381)
At 31 October 2019	57,909	(1,050)	11,911	68,770	40	68,810

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 13 which forms 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 2020**

	Unaudited 31 Oct 2020 RM'000	Unaudited 31 Oct 2019 RM'000
Profit before tax from continuing operations	4,666	5,187
Adjustments for:		
Non-cash items	4,189	3,765
Non-operating items	(433)	(832)
Operating profit before changes in working capital	8,422	8,120
Changes in working capital		
- Net changes in current assets	(9,007)	543
- Net changes in current liabilities	7,203	1,415
Dividend received	66	106
Tax (paid)/refund	(880)	(290)
Net cash from operating activities	5,804	9,894
Cash flow from investing activities		
- Purchase of machinery and equipment (Note 1)	(3,061)	(1,462)
- Proceeds from disposal of machinery and equipment	5	328
- Addition of investment in associates	(8,750)	-
- Addition of other investments	(878)	(1,915)
- Proceeds from disposal of other investments	1,642	1,354
- Interest received	858	428
Net cash (used in)/from investing activities	(10,184)	(1,267)
Cash flow from financing activities		
- Repayment of other payables	(471)	(343)
- Repayment of hire purchase obligations	(931)	(1,337)
- Repayment of other borrowings	(2,000)	(1,333)
- Drawdown of other borrowings	-	20,000
- Dividend paid	(1,944)	(1,699)
- Purchase of treasury shares	(812)	(682)
- Interest paid	(864)	(827)
Net cash (used in)/from financing activities	(7,022)	13,779
Net (decrease)/increase in cash and cash equivalents	(11,402)	22,406
Cash and cash equivalents at beginning of financial period	31,591	9,185
Cash and cash equivalents at end of financial period	20,189	31,591

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	14,950	23,061
Cash and bank balances	RM'000	5,239	8,530
		20,189	31,591

Note 1

During the financial year ended 31 October 2020, the Group acquired machinery and equipment (M&E) with an aggregate cost of RM3,061,000 (31 October 2019: RM3,734,000) all of which was paid by cash (31 October 2019: RM1,462,000 by cash). There were no M&E acquired by means of hire purchase during the financial year ended 31 October 2020 (31 October 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 13 which forms an integral part of this interim financial report.



NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 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 TWELVE MONTHS ENDED 31 OCTOBER 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 year ended 31 October 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 October 2020 are as follow:

	Number of shares	Total Amount (RM)
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
Balance of treasury shares as at 31 October 2020	3,810,700	1,861,847

7. Dividends paid

For financial year ended 31 October 2020, the Board of Directors had declared a single tier interim dividend of 0.75 sen per ordinary share on 17 September 2020. The dividend amounting to RM830,993 was paid on 13 October 2020 to the registered shareholders at the close of business on 2 October 2020.

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 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 October 2020.

	Individual quarter for 3 months ended 31 October							
	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	10,856	13,352	13,816	5,406	0	27	24,672	18,785
Segment profit/(loss) before tax	(1,047)	883	1,687	1,033	201	708	841	2,624
Depreciation and amortisation	1,026	986	5	3	-	-	1,031	989
Capital investment	709	1,008	9	5	-	-	718	1,013



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NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2020

Segmental revenue and results (cont'd)

	Cumulative 12 months ended 31 October							
	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	47,833	46,571	22,948	14,230	66	106	70,847	60,907
Segment profit/(loss) before tax	1,700	2,067	2,554	1,478	412	1,642	4,666	5,187
Depreciation and amortisation	4,157	3,905	11	7	-	-	4,168	3,912
Capital investment	3,038	3,705	23	29	-	-	3,061	3,734

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	Construction & PD	Investment	Unallocated assets	Total
	31 Oct 2020	31 Oct 2020	31 Oct 2020	31 Oct 2020	31 Oct 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment asset	72,688	24,819	2,878	-	100,385

	Manufacturing	Construction & PD	Investment	Unallocated assets	Total
	31 Oct 2019	31 Oct 2019	31 Oct 2019	31 Oct 2019	31 Oct 2019
	RM'000	RM'000	RM'000	RM'000	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
	Malaysia	Outside Malaysia	Europe	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	58,327	8,325	2,891	1,304	70,847
Non-current assets	35,121	-	-	-	35,121

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

Operating profit is derived as:

	Current Quarter 31 October 2020 (Unaudited) RM	Current Year to Date 31 October 2020 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,030,093	4,163,042
Depreciation of investment properties	1,313	5,250
Interest expense	171,124	864,295
Loss on foreign exchange – realised	111,572	-
Loss on fair value on other investments	-	21,324
And crediting:		
Interest income	61,530	857,989
Gain on foreign exchange – realised	-	57,658
Gain on foreign exchange – unrealised	15,911	14,477
Gain on fair value on other investments	299,000	-
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 October 2019: RM33,754,000) as security for banking facilities granted to certain subsidiaries of which RM17,678,000 (31 October 2019: RM20,382,000) were utilised as at the end of the reporting period.

13. Capital commitments

	31 October 2020 RM'000 (Unaudited)
Capital expenditure commitments	
Plant & equipment	
- Contracted but not provided for in the financial statements	<u>189</u>



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NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 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 October				Cumulative Quarter 12 months ended 31 October			
	2020	2019	Variance		2020	2019	Variance	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	24,672	18,785	5,887	31%	70,847	60,907	9,940	16%
Profit before tax (PBT)	841	2,624	(1,783)	-68%	4,666	5,187	(521)	-10%

The Group's revenue for the quarter ended 31 October 2020 increased RM5.89 million (up 31%) to RM24.67 million compared to RM18.79 million reported in the corresponding quarter of the preceding financial year. This is primarily driven by higher progress billing from Construction as project work ramps up since resumption in June offset by lower sales from Manufacturing.

The Group recorded profit before tax of RM0.84 million; a decrease of RM1.78 million (down 68%) against RM2.62 million reported in the corresponding quarter of the preceding financial year. This was largely attributed to lower sales and profit achieved by Manufacturing besides higher profit from other investments in the corresponding quarter of the preceding financial year offset by higher profit as a result of higher billings from Construction in the current quarter.

Segmental performance

	Individual Quarter 3 months ended 31 October											
	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	10,856	13,352	(2,496)	-19%	13,816	5,406	8,410	156%	-	27	(27)	-100%
Profit/(Loss) before tax	(1,047)	883	(1,930)	-219%	1,687	1,033	654	63%	201	708	(507)	-72%

Manufacturing

Revenue decrease by RM2.50 million (down 19%) due to higher inventory build-up sales by customers in the corresponding quarter of the preceding financial year. Profit before tax decreased RM1.93 million (down 219%) as a result of lower sales and changes in product mix.

Construction & PD

The work progress for construction project at Kuchai Lama has resumed in early June and has subsequently ramped up to achieve billings of RM13.82 million, an increase of RM8.41 million (up 156%). The segment recorded a profit before tax grow to RM1.69 million (up 61%) as a result of higher billings.

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 October 2020; The drop of RM0.51 million was due to gain on disposal of investment recorded in the corresponding quarter of the preceding financial year.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 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 Oct 2020		31 Jul 2020		RM'000 (%)	
	RM'000		RM'000			
Revenue	24,672		19,348		5,324	28%
Profit before tax (PBT)	841		3,129		(2,288)	-73%

The Group's current quarter revenue grew by RM5.32 million (up 28%) to RM24.67 million from RM19.35 million reported in the immediate preceding quarter. This was largely driven by higher progress billing from Construction as project work ramps up since resumption in June offset by lower sales from Manufacturing as order stabilized subsequent to accumulated backlog resolution. The Group's PBT of RM0.84 million dropped by RM2.29 million (down 73%) primarily due to lower revenue from Manufacturing and lesser fair value gain on other investment recorded offset by higher profit contribution from Construction.

Segmental performance

	Manufacturing				Construction & PD				Investment			
	31 Oct 2020		31 Jul 2020		31 Oct 2020		31 Jul 2020		31 Oct 2020		31 Jul 2020	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	10,856	15,090	(4,234)	-28%	13,816	4,199	9,617	229%	-	59	(59)	100%
Profit/(Loss) before tax	(1,047)	1,999	(3,046)	-152%	1,687	530	1,157	218%	201	600	(399)	67%

Manufacturing

Revenue dropped RM4.23 million (down 28%) as customer order stabilized subsequent to accumulated backlog order resolution induced by the MCO. The segment recorded loss before tax of RM1.05 million dropped RM3.05 million (down 152%) due to lower revenue achieved.

Construction & PD

Revenue increase RM9.62 million (up 229%) as project work resumes in early June and ramps up. As a result, the segment achieved profit before tax of RM1.69 million (up 218%).

Investment

Revenue was driven by dividends received from other investments. The lower profit before tax was due to lesser fair value gain in the current quarter as compared to the immediate preceding quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2020**16. Prospects**

Amidst a challenging business environment brought about by the COVID-19 pandemic, the Group continues to remain focused on enhancing our capabilities within our core business besides pursuing further cost and operational efficiency improvements to maintain competitiveness. The Group is working towards expansion into higher value-added manufacturing activities by broadening our product and services offerings as well as diversifying our customer base from various other industries. With the Kuchai Lama project gearing towards completion, the Group will assess the suitability of timing to undertake the development of industrial factories and warehouses in Sepang, via our 35% associate, Broadway Lifestyle Sdn Bhd ("BLSB"). The Group continues to seek out new projects and opportunities for expansion and growth in this segment to further enhance and maximize shareholders' value. Premised on the above and barring any unforeseen circumstances, the Board is cautiously optimistic that the Group's prospect shall remain favourable for the upcoming financial year ending 31 October 2021.

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 October 2020	2019	12 months ended 31 October 2020	2019
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Tax expense				
- current year tax	428	361	907	583
- prior year tax	12	-	12	37
Deferred tax				
- origination and reversal of temporary differences	30	(1,599)	595	(1,210)
- prior year	-	-	-	-
	<u>470</u>	<u>(1,238)</u>	<u>1,514</u>	<u>(590)</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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2020**20. Bank borrowings**

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

	31 October 2020	31 October 2019
	RM'000	RM'000
	(Unaudited)	(Audited)
Current:		
Finance lease liabilities	859	931
Fixed loan	2,000	2,000
	<u>2,859</u>	<u>2,931</u>
Non-Current:		
Finance lease liabilities	373	1,232
Fixed loan	14,667	16,667
	<u>15,040</u>	<u>17,899</u>

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 recommend a final single tier dividend of 0.50 sen per ordinary share for the financial year ended 31 October 2020 subject to the shareholders' approval in the upcoming Annual General Meeting (AGM); details of which will be announce on a later date.

For financial year ended 31 October 2020, the Board of Directors had declared a single tier interim dividend of 0.75 sen per ordinary share on 17 September 2020. The dividend amounting to RM830,993 was paid on 13 October 2020 to the registered shareholders at the close of business on 2 October 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 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.

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 October		12 months ended 31 October	
	2020	2019	2020	2019
Net profit attributable to shareholders (RM'000)	373	3,866	3,157	5,787
Weighted average number of ordinary shares in issue ('000)	111,728	113,317	111,728	113,317
Basic earnings per ordinary share (Sen)	0.33	3.41	2.83	5.11

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2020**24. Related party transactions**

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

Paid to a company controlled by a Director and major shareholder of the Company	Mandate limit*	Individual Quarter		Cumulative Quarter	
		3 months ended 31 Oct 2020	2019	12 months ended 31 Oct 2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Rental charges	16	2	3	13	14
Project management fee	1,600	770	385	1,610	1,539
Rental charges of machineries and equipment	-	108	186	202	336

*Note: Mandate was renewed and approved in the 23rd Annual General Meeting (AGM) held on 22 July 2020.

By order of the board

Yong Loy Huat
Chief Executive Officer
16 December 2020