



**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 2022**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Oct 22 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 31 Oct 21 (RM'000)	CURRENT YEAR TO DATE 31 Oct 22 (RM'000)	PRECEDING YEAR CORRESPONDING TO DATE 31 Oct 21 (RM'000)
Continuing operations				
Revenue	20,870	20,556	74,705	83,855
Operating Profit	4,096	2,798	7,264	14,660
Finance costs	(205)	(137)	(746)	(586)
Interest income	54	63	279	281
Share of loss in associates after tax	(388)	(345)	(1,496)	(1,500)
Profit before tax	3,557	2,379	5,301	12,855
Tax Expense	(599)	454	(1,965)	(2,647)
Profit for the period	2,958	2,833	3,336	10,208
Other comprehensive income/(expense), net of tax	-	-	-	-
Total comprehensive income	2,958	2,833	3,336	10,208
Profit/(Loss) for the year representing total comprehensive income/(expenses) for the year attributable to:				
Owners of the Company	2,959	2,834	3,341	10,214
Non-Controlling interest	(1)	(1)	(5)	(6)
	2,958	2,833	3,336	10,208
Basic earnings per ordinary share (sen) - Note 23	1.20	1.17	1.35	4.22

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 2021 and the accompanying explanatory notes set out on pages 5 to 13 which forms an integral part of this interim financial report.



**WONG ENGINEERING CORPORATION BERHAD
AND ITS SUBSIDIARIES**

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022

	Note	Unaudited As at end of current quarter 31 Oct 2022 RM'000	Audited As at preceding financial year end 31 Oct 2021 RM'000
ASSETS			
Property, plant and equipment		30,256	29,571
Right-of-use assets		3,223	3,406
Investment properties		15,561	491
Investment in an associate		10,519	9,566
Deferred Tax assets		2,022	3,361
Total non-current assets		<u>61,581</u>	<u>46,395</u>
Inventories		20,092	14,583
Trade and other receivables		18,877	22,445
Other investments		392	3,610
Current tax assets		163	130
Fixed deposits placed with licensed banks		667	655
Cash and cash equivalents		14,264	18,437
Total current assets		<u>54,455</u>	<u>59,860</u>
Total Assets		<u>116,036</u>	<u>106,255</u>
EQUITY			
Share capital		57,909	57,909
Treasury shares		(911)	(2,564)
Reserves		27,471	22,790
Total equity equitable to equity holders of the Company		<u>84,469</u>	<u>78,135</u>
Non-controlling interest		23	28
Total Equity		<u>84,492</u>	<u>78,163</u>
LIABILITIES			
Loans and borrowings	20	16,116	12,740
Lease liabilities		109	-
Total non-current liabilities		<u>16,225</u>	<u>12,740</u>
Trade and other payables		11,361	12,419
Loans and borrowings	20	3,830	2,268
Lease liabilities		118	32
Current tax liabilities		10	633
Total current liabilities		<u>15,319</u>	<u>15,352</u>
Total Liabilities		<u>31,544</u>	<u>28,092</u>
Total Equity and Liabilities		<u>116,036</u>	<u>106,255</u>
Net asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.34</u>	<u>0.32</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 October 2021 and the accompanying explanatory notes set out on pages 5 to 13 which forms an integral part of this interim financial report.



**WONG ENGINEERING CORPORATION BERHAD
AND ITS SUBSIDIARIES**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2022**

(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
12 months ended 31 October 2022 (Unaudited)						
At 1 November 2021	57,909	(2,564)	22,790	78,135	28	78,163
Total comprehensive income for the period	-	-	3,341	3,341	(5)	3,336
Total comprehensive income/(expenses) for the period	57,909	(2,564)	26,131	81,476	23	81,499
Resale of treasury shares	-	2,564	3,861	6,425	-	6,425
Purchase of treasury shares	-	(911)	-	(911)	-	(911)
Dividends paid	-	-	(2,521)	(2,521)	-	(2,521)
Total transactions with owners of the Company	-	1,653	1,340	2,993	-	2,993
At 31 October 2022	57,909	(911)	27,471	84,469	23	84,492
12 months ended 31 October 2021 (Unaudited)						
At 1 November 2020	57,909	(1,862)	13,125	69,172	34	69,206
Total comprehensive income for the period	-	-	10,214	10,214	(6)	10,208
Total comprehensive income/(expenses) for the period	57,909	(1,862)	23,339	79,386	28	79,414
Purchase of treasury shares	-	(702)	-	(702)	-	(702)
Dividends paid	-	-	(549)	(549)	-	(549)
Total transactions with owners of the Company	-	(702)	(549)	(1,251)	-	(1,251)
At 31 October 2021	57,909	(2,564)	22,790	78,135	28	78,163

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2021 and the accompanying explanatory notes set out on pages 5 to 13 which forms an integral part of this interim financial report.



**WONG ENGINEERING CORPORATION BERHAD
AND ITS SUBSIDIARIES**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2022**

	Unaudited 31 Oct 2022 RM'000	Audited 31 Oct 2021 RM'000	
Profit/(Loss) before tax from continuing operations	5,301	12,855	
Adjustments for:			
Non-cash items	6,475	4,655	
Non-operating items	180	230	
Operating profit before changes in working capital	11,956	17,740	
Changes in working capital			
- Net changes in current assets	(1,942)	(3,901)	
- Net changes in current liabilities	(1,058)	(3,360)	
Dividend received	-	65	
Tax (paid)/refund	(1,281)	(2,337)	
Net cash from operating activities	7,675	8,207	
Cash flow from investing activities			
- Purchase of investment properties, machinery and equipment	(19,910)	(2,481)	
- Proceeds from disposal of machinery and equipment	275	41	
- Addition of investment in associates	(2,450)	(2,450)	
- Addition of other investments	(971)	-	
- Proceeds from disposal of other investments	3,801	-	
- Withdrawal/(Placement) of fixed deposits	-	5,684	
- Placement of fixed deposits (Pledged)	(12)	(11)	
- Interest received	279	281	
Net cash (used in)/from investing activities	(18,988)	1,064	
Cash flow from financing activities			
- Payment of hire purchase creditors	(268)	(670)	
- Payment of lease liabilities	(45)	(189)	
- Repayment of term loan	(3,532)	(2,000)	
- Drawdown of term loan	8,738	-	
- Dividend paid	(2,521)	(549)	
- Repurchase of treasury shares	(911)	(702)	
- Resale of treasury shares	6,425	-	
- Interest paid	(746)	(586)	
Net cash (used in)/from financing activities	7,140	(4,696)	
Net (decrease)/increase in cash and cash equivalents	(4,173)	4,575	
Cash and cash equivalents at beginning of financial period	18,437	13,862	
Cash and cash equivalents at end of financial period	14,264	18,437	
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	6,800	10,068
Cash and bank balances	RM'000	7,464	8,369
		14,264	18,437

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 October 2021 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 2022

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 Wong Engineering Corporation Berhad (“WECEB” or “the Company”) and its subsidiaries (“the Group”) for the year ended 31 October 2021 (“FYE21”). 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 FYE21 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 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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 2021.

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.

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022**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 October 2022, the Company repurchased 2,189,800 of its issued share capital from the open market for an average price of RM0.4159 per share and received 5,779,440 of bonus shares from the bonus issue exercise which was completed on 6 December 2021. The Company has also resold 10,595,640 of its treasury shares during the same period.

The details of the treasury shares held as at 31 October 2022 are as follow:

	Number of shares	Total Amount (RM)
Balance of treasury shares as at 1 November 2021	4,816,200	2,563,686
Shares bought back during the period	2,189,800	910,629
Shares sold during the period	(10,595,640)	(2,563,686)
Bonus shares received	5,779,440	-
Balance of treasury shares as at 31 October 2022	2,189,800	910,629

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.

7. Dividends paid

The proposed single tier final dividend of 1.0 sen per ordinary share in respect of financial year ended 31 October 2021 has been approved by the shareholders at the 25th Annual General Meeting conducted virtually on 24 March 2022. The dividend amounting to RM2,521,420 was paid on 6 May 2022 to the registered shareholders at the close of business on 15 April 2022.

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 2022.

	Individual quarter for 3 months ended 31 October							
	Manufacturing		Construction & PD		Investment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	20,123	14,916	747	5,640	-	-	20,870	20,556
Segment profit/(loss) before tax	4,631	1,202	(973)	1,110	(101)	67	3,557	2,379
Depreciation and amortisation	1,114	1,027	3	4	-	-	1,117	1,031
Capital investment	15,923	1,969	-	6	-	-	15,923	1,975



WONG ENGINEERING CORPORATION BERHAD

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022

Segmental revenue and results (cont'd)

	Cumulative 12 months ended 31 October							
	Manufacturing		Construction & PD		Investment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	67,799	50,768	6,906	33,022	-	65	74,705	83,855
Segment profit/(loss) before tax	8,465	4,806	(2,822)	7,381	(342)	668	5,301	12,855
Depreciation and amortisation	4,237	4,089	13	13	-	-	4,250	4,102
Capital investment	20,150	2,473	-	8	-	-	20,150	2,481

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.

As at 31 October 2022 (RM'000)					
	Manufacturing	Construction & PD	Investment	Unallocated assets	Total
Segment asset	106,030	7,358	2,648	-	116,036

As at 31 October 2021 (RM'000)					
	Manufacturing	Construction & PD	Investment	Unallocated assets	Total
Segment asset	77,543	24,989	3,723	-	106,255

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	59,466	5,709	8,542	988	74,705
Non-current assets	49,040	-	-	-	49,040

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022**9. Operating profit**

Operating profit is derived as:

	Current Quarter 31 October 2022 (Unaudited) RM	Current Year to Date 31 October 2022 (Unaudited) RM
After charging:		
Depreciation of property, plant and equipment	1,006,609	4,070,027
Depreciation right-of-use assets	35,398	101,178
Depreciation of investment properties	74,845	78,784
Fixed assets written off	-	268,533
Loss on fair value on other investments – unrealised	130,000	459,968
And crediting:		
Gain on disposal of other investments	-	72,332
Gain on disposal of fixed assets	134,500	214,500
Gain on foreign exchange – realised	419,466	895,677
Gain on foreign exchange – unrealised	400,743	400,743

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 RM54,425,000 (31 October 2021: RM33,719,000) as security for banking facilities granted to certain subsidiaries and vendor supplying to a subsidiary of which RM19,946,000 (31 October 2021: RM15,008,000) were utilised as at the end of the reporting period.

13. Capital commitments

	31 October 2022 RM'000 (Unaudited)
Capital expenditure commitments	
Plant & equipment	
- Contracted but not provided for in the financial statements	<u>17,990</u>



WONG ENGINEERING CORPORATION BERHAD

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022

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			
	2022	2021	Variance		2022	2021	Variance	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	20,870	20,556	314	2%	74,705	83,855	(9,150)	-11%
Profit/(Loss) before tax	3,557	2,379	1,178	50%	5,301	12,855	(7,554)	-59%

The Group recorded RM20.87 million revenue in the quarter ended 31 October 2022 (Q4'22); RM0.31 million higher (up 2%) relative to RM20.56 million reported in the same quarter of financial year 2021 (Q4'21). The higher revenue was contributed by continuous growth from sales in Manufacturing as demand for metal fabricated components remain healthy offset by lower billing from Construction as the Group's project draws to its completion.

The Group achieved a profit before tax of RM3.56 million, RM1.18 million (up 50%) relative to profit before tax of RM2.38 million reported in Q4'21. The growth in profit is largely supported by Manufacturing as a result of higher sales, favorable product mix, improved factory utilization as well as a stronger US Dollar exchange rate during Q4'22 offset by losses in Construction due to reduced billing and fair value losses recorded for Investment for Q4'22.

Segmental performance

	Individual Quarter 3 months ended 31 October											
	Manufacturing				Construction & PD				Investment			
	2022	2021	Variance		2022	2021	Variance		2022	2021	Variance	
RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)	
Revenue	20,123	14,916	5,207	35%	747	5,640	(4,893)	-87%	-	-	-	0%
Profit/(Loss) before tax	4,631	1,202	3,429	285%	(973)	1,110	(2,083)	-188%	(101)	67	(168)	-251%

Manufacturing

Revenue grew by RM5.21 million (up 35%) driven by continuous strong demand arising from customers in the electrical and electronics (E&E) and semiconductor sector. The segment recorded RM4.63 million profit before tax (up 285%) as a result of higher sales, favorable product mix, improved factory utilization as well as a stronger US Dollar exchange rates.

Construction & PD

The construction project at Kuchai Lama recorded billings of RM0.75 million, a drop of RM4.89 million (down 87%) as the project draws to its completion. The segment suffered loss before tax of RM0.97 million (down 188%) due to lower billings and share of loss from an associate company.

Investment

There were no dividends received from other investments. The loss before tax is primarily driven by unrealized fair value losses as at 31 October 2022 relative to Q4'21.



WONG ENGINEERING CORPORATION BERHAD

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022

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 2022		31 Jul 2022			
	RM'000		RM'000		RM'000	(%)
Revenue	20,870		19,012		1,858	10%
Profit/(Loss) before tax	3,557		2,479		1,078	43%

The Group recorded revenue of RM20.87 million in Q4'22, an increase of RM1.86 million (up 10%) relative to RM19.01 million reported in the immediate preceding quarter (Q3'22). The higher revenue was contributed by continuous growth in sales from Manufacturing.

Profit before tax grew by RM1.08 million (up 43%) to RM3.56 million relative to RM2.48 million in Q3'22. This is largely contributed by higher revenue from Manufacturing, favorable product mix, better factory utilisation as well as a stronger US Dollar exchange rate during Q4'22.

Segmental performance

	Manufacturing				Construction & PD				Investment			
	31 Oct 2022		31 Jul 2022		31 Oct 2022		31 Jul 2022		31 Oct 2022		31 Jul 2022	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	20,123	18,185	1,938	11%	747	827	(80)	-10%	-	-	-	0%
Profit/(Loss) before tax	4,631	3,385	1,246	37%	(973)	(791)	(182)	-23%	(101)	(115)	14	12%

Manufacturing

Revenue grew by RM1.94 million (up 11%) as demand for metal fabricated components remains healthy during the quarter. Manufacturing recorded profit before tax of RM4.63 million (up RM1.25 million) as a result of higher sales, favorable product mix, better factory utilisation and stronger US Dollar exchange rate during the quarter.

Construction & PD

The Kuchai Lama project recorded billings of RM0.75 million, RM0.1 million lower (down 10%) as it draws to its completion. As a consequence, the segment's suffered a loss before tax of RM0.97 million.

Investment

There were no dividends received from other investments. The segment recorded a loss before tax due to unrealised fair value losses in the current quarter.

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022**16. Prospects**

As customer orders and fluctuations in input cost begin to stabilise, our Manufacturing segment's near-term outlook is expected to remain positive. The Group has increased its manpower resources and will also be receiving delivery for its new sheet metal machines in the coming quarter; offering a boost in capacity as well as capability to fulfil existing customer orders besides capturing new markets and industries to diversify and increase our customer base. Nevertheless, we remain highly cognizant of signals of a slowdown in demand from the technology sector besides the foreign exchange risk due to the recent rapid reversal of US Dollar appreciation against Malaysian Ringgit and the persistent constraints in the global supply chain affecting material availability and lead times.

As for Construction & PD segment, the Group will cautiously seek out new projects and opportunities for expansion. Our associate company, Broadway Lifestyle Sdn Bhd (BLSB) is in the midst of planning for the proposed development in Sepang, Selangor on a parcel of land it acquired back in 2020. Premised on the above and barring further unforeseen circumstances, we remain cautiously optimistic of the Group's financial performance and prospect for the coming quarters.

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 2022 RM'000 (Unaudited)	2021 RM'000 (Unaudited)	12 months ended 31 October 2022 RM'000 (Unaudited)	2021 RM'000 (Unaudited)
Tax expense				
- current year tax	206	89	628	2,475
- prior year tax	-	224	(2)	224
Deferred tax				
- origination and reversal of temporary differences	393	(767)	1,339	(52)
- prior year	-	-	-	-
	<u>599</u>	<u>(454)</u>	<u>1,965</u>	<u>2,647</u>

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022**19. Status of corporate proposals**

Save as disclosed below, there are no corporate proposals announced or uncompleted as at the date of this announcement: -.

On 22 December 2021, the Company announced to undertake the following:

- (i) a bonus issue of up to 128,911,771 free warrants in WECB ("Warrant(s)") on the basis of 1 Warrant for every 2 existing shares held on an entitlement date to be determined and announced later by the Board ("Entitlement Date") ("Proposed Bonus Issue of Warrants")
- (ii) establishment of a long-term incentive plan of up to 15% of the issued share capital of WECB (excluding treasury shares, if any) at any point in time during the duration of the long-term incentive plan, for the eligible employees and directors of the Group who fulfil the eligibility criteria set out in the by-laws of the long-term incentive plan. (Collectively, the "Proposals")

The application pursuant to the Proposals was submitted to Bursa Securities on 19 January 2022 for which approval was granted on 28 January 2022. The shareholders had approved the Proposals at the extraordinary general meeting (EGM) held on 24 March 2022. The Proposed Bonus Issue of Warrants was completed with the listing and quotation for 126,070,939 Warrants on 5 May 2022.

The Company has announced and fixed 30 June 2022 as the effective date of the proposed LTIP following the submission of the final by-laws and resolutions passed by the shareholders at the EGM to Bursa Securities.

20. Bank borrowings

The bank borrowings as at 31 October 2022 are as follows:

	31 October 2022	31 October 2021
	RM'000	RM'000
	(Unaudited)	(Audited)
Current:		
Hire purchase creditors	74	268
Term loan	<u>3,756</u>	<u>2,000</u>
Non-Current:		
Hire purchase creditors	-	73
Term loan	<u>16,166</u>	<u>12,667</u>

21. Changes in material litigation

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

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR TWELVE MONTHS ENDED 31 OCTOBER 2022**22. Proposed dividends**

The Board of Directors recommend a single tier final dividend of 0.35 sen per ordinary share for the financial year ended 31 October 2022 subject to the shareholders' approval in the upcoming Annual General Meeting (AGM); details of which will be announce on a later date.

A single tier final dividend of 1.0 sen per ordinary share in respect of financial year ended 31 October 2021 was approved by the shareholders at the 25th Annual General Meeting on 24 March 2022. The dividend amounting to RM2,521,420 was paid on 6 May 2022 to the registered shareholders at the close of business on 16 April 2022.

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 2022	2021	12 months ended 31 October 2022	2021
Net profit attributable to shareholders (RM'000)	2,959	2,834	3,341	10,214
Weighted average number of ordinary shares in issue ('000)	246,776	242,249	246,776	242,249
Basic earnings per ordinary share (Sen)	1.20	1.17	1.35	4.22

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 (RM'000) [Mandated RRPT]	Mandate limit*	Individual Quarter		Cumulative Quarter	
		3 months ended 31 October 2022	2021	12 months ended 31 October 2022	2021
Rental charges	20	3	3	14	13
Project management fee	2,000	-	-	192	186
Rental charges of machineries and equipment	-	-	26	-	265

*Note: Mandate was renewed and approved in the 25th Annual General Meeting (AGM) held on 24 March 2022.

Paid to a company controlled by a major shareholder of the Company (RM'000)	Individual Quarter		Cumulative Quarter	
	3 months ended 31 October 2022	2021	12 months ended 31 October 2022	2021
Purchase of one unit 5 tonne forklift	-	-	88	-
Paid to a company controlled by a Director (RM'000)				
Professional services for architecture, civil and structure, mechanical & electrical and town planning works	53	-	53	-

By order of the board

Yong Loy Huat
Chief Executive Officer
14 December 2022