



**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 THREE MONTHS ENDED 31 JANUARY 2022**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Jan 22 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 31 Jan 21 (RM'000)	CURRENT YEAR TO DATE 31 Jan 22 (RM'000)	PRECEDING YEAR CORRESPONDING TO DATE 31 Jan 21 (RM'000)
<b>Continuing operations</b>				
Revenue	18,520	24,787	18,520	24,787
Operating Profit	1,031	3,429	1,031	3,429
Finance costs	(162)	(158)	(162)	(158)
Interest income	57	102	57	102
Share of loss in associates after tax	(364)	(328)	(364)	(328)
Profit before tax	563	3,045	563	3,045
Tax Expense	(321)	(1,036)	(321)	(1,036)
Profit for the period	242	2,009	242	2,009
Other comprehensive income/(expense), net of tax	-	-	-	-
<b>Total comprehensive income</b>	<b>242</b>	<b>2,009</b>	<b>242</b>	<b>2,009</b>
Profit/(Loss) for the year representing total comprehensive income/(expenses) for the year attributable to:				
Owners of the Company	243	2,011	243	2,011
Non-Controlling interest	(1)	(2)	(1)	(2)
	242	2,009	242	2,009
Basic earnings per ordinary share (sen) - Note 23	0.10	0.82	0.10	0.82

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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2022**

	Note	Unaudited As at end of current quarter 31 Jan 2022 RM'000	Audited As at preceding financial year end 31 Oct 2021 RM'000
<b>ASSETS</b>			
Property, plant and equipment		31,846	29,571
Right-of-use assets		3,062	3,406
Investment properties		490	491
Investment in an associate		9,202	9,566
Deferred Tax assets		3,175	3,361
Total non-current assets		<u>47,775</u>	<u>46,395</u>
Inventories		15,137	14,583
Trade and other receivables		18,543	22,445
Other investments		1,804	3,610
Current tax assets		93	130
Fixed deposits placed with licensed banks		2,655	655
Cash and cash equivalents		24,628	18,437
Total current assets		<u>62,860</u>	<u>59,860</u>
<b>Total Assets</b>		<u>110,635</u>	<u>106,255</u>
<b>EQUITY</b>			
Share capital		57,909	57,909
Treasury shares		(2,564)	(2,564)
Reserves		23,033	22,790
Total equity equitable to equity holders of the Company		<u>78,378</u>	<u>78,135</u>
Non-controlling interest		27	28
<b>Total Equity</b>		<u>78,405</u>	<u>78,163</u>
<b>LIABILITIES</b>			
Loans and borrowings	20	18,971	12,740
Lease liabilities		-	-
Total non-current liabilities		<u>18,971</u>	<u>12,740</u>
Trade and other payables		9,026	12,419
Loans and borrowings	20	3,899	2,268
Lease liabilities		-	32
Current tax liabilities		334	633
Total current liabilities		<u>13,259</u>	<u>15,352</u>
<b>Total Liabilities</b>		<u>32,230</u>	<u>28,092</u>
<b>Total Equity and Liabilities</b>		<u>110,635</u>	<u>106,255</u>
Net asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.32</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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 JANUARY 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
<b>3 months ended 31 January 2022 (Unaudited)</b>						
At 1 November 2021	57,909	(2,564)	22,790	78,135	28	78,163
Total comprehensive income for the period	-	-	243	243	(1)	242
<b>Total comprehensive income/(expenses) for the period</b>	<b>57,909</b>	<b>(2,564)</b>	<b>23,033</b>	<b>78,378</b>	<b>27</b>	<b>78,405</b>
Purchase of treasury shares	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 January 2022	57,909	(2,564)	23,033	78,378	27	78,405
<b>3 months ended 31 January 2021 (Unaudited)</b>						
At 1 November 2020	57,909	(1,862)	13,125	69,172	34	69,206
Total comprehensive income for the period	-	-	2,011	2,011	(2)	2,009
<b>Total comprehensive income/(expenses) for the period</b>	<b>57,909</b>	<b>(1,862)</b>	<b>15,136</b>	<b>71,183</b>	<b>32</b>	<b>71,215</b>
Purchase of treasury shares	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 January 2021	57,909	(1,862)	15,136	71,183	32	71,215

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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE THREE MONTHS ENDED 31 JANUARY 2022**

	Unaudited 31 Jan 2022 RM'000	Unaudited 31 Jan 2021 RM'000
Profit before tax from continuing operations	563	3,045
Adjustments for:		
Non-cash items	1,253	1,714
Non-operating items	366	37
Operating profit before changes in working capital	2,182	4,796
Changes in working capital		
- Net changes in current assets	3,348	(4,099)
- Net changes in current liabilities	(3,393)	640
Dividend received	-	19
Tax (paid)/refund	(397)	(169)
Net cash from operating activities	1,740	1,187
<b>Cash flow from investing activities</b>		
- Purchase of machinery and equipment (Note 1)	(2,979)	(261)
- Proceeds from disposal of machinery and equipment	76	-
- Addition of investment in associates	-	-
- Addition of other investments	(971)	-
- Proceeds from disposal of other investments	2,600	-
- Withdrawal/(Placement) of fixed deposits	(2,000)	5,684
- Interest received	57	102
Net cash (used in)/from investing activities	(3,217)	5,525
<b>Cash flow from financing activities</b>		
- Payment of hire purchase creditors	(161)	(160)
- Payment of lease liabilities	(32)	(46)
- Repayment of term loan	(715)	(500)
- Drawdown of term loan	8,738	-
- Dividend paid	-	-
- Repurchase of treasury shares	-	-
- Interest paid	(162)	(158)
Net cash (used in)/from financing activities	7,668	(864)
Net (decrease)/increase in cash and cash equivalents	6,191	5,848
Cash and cash equivalents at beginning of financial period	18,437	13,862
Cash and cash equivalents at end of financial period	24,628	19,710

**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	14,857	13,929
Cash and bank balances	RM'000	9,771	5,781
		24,628	19,710

**Note 1** - During the financial period ended 31 January 2022, the Group acquired plant and equipment with an aggregate cost of RM2,979,000 (31 January 2021: RM261,000) of which RM2,979,000 was paid by cash (31 January 2021: RM261,000 by cash). There was no acquisition by means of finance leases (31 January 2021: RM nil).

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 THREE MONTHS ENDED 31 JANUARY 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 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.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS ENDED 31 JANUARY 2022****6. Changes in debt and equity securities**

There were no share buy-backs and share cancellations for the current financial period except for the following.

During the financial period ended 31 January 2022, the Company received 5,779,440 of bonus shares from the bonus issue exercise which was completed on 6 December 2021.

The details of the treasury shares held as at 31 January 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	-	-
Bonus shares received	5,779,440	-
<b>Balance of treasury shares as at 31 January 2022</b>	<b>10,595,640</b>	<b>2,563,686</b>

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 25<sup>th</sup> Annual General Meeting conducted virtually on even date. The dividend will be payable 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 January 2022.

	Individual quarter for 3 months ended 31 January							
	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	14,217	9,989	4,303	14,779	-	19	18,520	24,787
Segment profit/(loss) before tax	756	(180)	(13)	3,629	(180)	(404)	563	3,045
Depreciation and amortisation	1,047	1,028	3	3	-	-	1,050	1,031
Capital investment	2,979	261	-	-	-	-	2,979	261



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS ENDED 31 JANUARY 2022**

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

	Manufacturing		Cumulative 3 months ended 31 January				Total	
	2022	2021	Construction & PD		Investment		2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	14,217	9,989	4,303	14,779	0	19	18,520	24,787
Segment profit before tax	756	(180)	(13)	3,629	(180)	(404)	563	3,045
Depreciation and amortisation	1,047	1,028	3	3	-	-	1,050	1,031
Capital investment	2,979	261	-	-	-	-	2,979	261

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 January 2022 (RM'000)					
	Manufacturing	Construction & PD	Investment	Unallocated assets	Total
Segment asset	87,171	21,270	2,194	-	110,635

  

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	14,795	1,421	2,040	264	18,520
Non-current assets	35,398	-	-	-	35,398

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

Operating profit is derived as:

	<b>Current Quarter 31 January 2022 (Unaudited) RM</b>	<b>Current Year to Date 31 January 2022 (Unaudited) RM</b>
After charging:		
Depreciation of property, plant and equipment	1,002,403	1,002,403
Depreciation right-of-use assets	46,098	46,098
Depreciation of investment properties	1,313	1,313
Loss on fair value on other investments	203,468	203,468
And crediting:		
Gain on disposal of other investments	26,000	26,000
Gain on foreign exchange – realised	27,176	27,176
Gain on foreign exchange – unrealised	78,846	78,846

**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 RM41,100,000 (31 January 2021: RM34,154,000) as security for banking facilities granted to certain subsidiaries and vendor supplying to a subsidiary of which RM22,870,000 (31 January 2021: RM17,018,000) were utilised as at the end of the reporting period.

**13. Capital commitments**

	<b>31 January 2022 RM'000 (Unaudited)</b>
Capital expenditure commitments	
Plant & equipment	
- Contracted but not provided for in the financial statements	<u>514</u>





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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS ENDED 31 JANUARY 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 January				Cumulative Quarter 3 months ended 31 January			
	2022	2021	Variance		2022	2021	Variance	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	18,520	24,787	(6,267)	-25%	18,520	24,787	(6,267)	-25%
Profit before tax (PBT)	563	3,045	(2,482)	-82%	563	3,045	(2,482)	-82%

The Group recorded revenue of RM18.52 million in the quarter ended 31 January 2022 (Q1'22); RM6.27 million lower (down 25%) relative to RM24.79 million reported in the same quarter of financial year 2021 (Q1'21). The drop in revenue was due to lower billings from Construction as the Kuchai Lama project approaches its completion stages offset by higher sales from Manufacturing driven by strong demands by customers from the electrical and electronics (E&E) sector.

As a consequence, the Group’s PBT dropped RM2.48 million (down 82%) to approximately RM0.56 million relative to RM3.05 million reported in Q1'21. Due to lower billings as well as share of losses from an associate, the Construction & PD segment suffered a marginal loss before tax which was offset by improved profits from Manufacturing as result of higher revenue.

**Segmental performance**

	Individual Quarter 3 months ended 31 January											
	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	14,217	9,989	4,228	42%	4,303	14,779	(10,476)	-71%	-	19	(19)	-100%
Profit/(Loss) before tax	756	(180)	936	520%	(13)	3,629	(3,642)	-100%	(180)	(404)	224	55%

**Manufacturing**

Revenue grew by RM4.23 million (up 42%) driven by strong demand arising from customers in the electrical and electronics (E&E) and semiconductor sector. The segment turned around and recorded RM0.76 million profit before tax (up 520%) as a result of improved sales notwithstanding impact from higher cost of raw materials, utilities and other consumables.

**Construction & PD**

The construction project at Kuchai Lama recorded billings of RM4.30 million, a drop of RM10.48 million (down 71%) as the project is nearing its completion. The segment suffered a marginal loss before tax (down 100%) due to the lower billings and share of loss from an associate company.

**Investment**

Revenue is driven by dividends received from other investments. The loss before tax is primarily due to fair value losses as at 31 January 2022 which was lesser than in Q1'21.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS ENDED 31 JANUARY 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 Jan 2022		31 Oct 2021		RM'000 (%)	
	RM'000		RM'000			
Revenue	18,520		20,556		(2,036) -10%	
Profit before tax (PBT)	563		2,379		(1,817) -76%	

The Group recorded revenue of RM18.52 million in Q1'22, a reduction of RM2.04 million (down 10%) relative to RM20.56 million reported in the immediate preceding quarter (Q4'21). The drop in revenue was attributed to lower sales and billings from Construction and Manufacturing segment.

Consequently, profit before tax decreased by RM1.82 million (down 76%) to RM0.56 million. On top of that, our Manufacturing segment is also experiencing rising cost of raw materials, utilities and other consumables aside from the persistent supply chain disruption compared to Q4'21. Additionally, Investment segment also led to the Group's overall lower PBT as it records a fair value loss in Q1'22 relative to Q4'21.

**Segmental performance**

	Manufacturing				Construction & PD				Investment			
	31 Jan 2022		31 Oct 2021		31 Jan 2022		31 Oct 2021		31 Jan 2022		31 Oct 2021	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	14,217	14,916	(699)	-5%	4,303	5,640	(1,337)	-24%	-	-	-	0%
Profit/(Loss) before tax	756	1,202	(447)	-37%	(13)	1,110	(1,123)	-101%	(180)	67	(247)	-369%

**Manufacturing**

Revenue decreased marginally by RM0.70 million (down 5%) due to scheduling constraints and supply chain disruption. Manufacturing recorded profit before tax of RM0.76 million (down RM0.45 million or 37%) due to lower revenue and rising cost of raw materials, utilities and other consumables compared to Q4'21.

**Construction & PD**

The Kuchai Lama project recorded billings of RM4.30 million, RM1.34 million lower (down 24%) as it approaches completion stages. As a result, profit before tax decrease by RM1.12 million (down 101%) aside from lower margins observed during the project's final stages of completion.

**Investment**

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

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS ENDED 31 JANUARY 2022****16. Prospects**

The Group anticipates near to medium term outlook to remain positive buoyed by healthy orders in the Manufacturing segment from customers in the semiconductor and E&E sector. The Group is also working closely with existing and new potential customers on securing new orders to drive growth and expansion. Nevertheless, we remain cognizant of the volatile business environment notwithstanding the persistent challenges brought about by the Covid-19 pandemic as well as the conflict between Russia and Ukraine as the Manufacturing segment contends with surging cost of raw materials, utility and other consumables and continued disruption in the supply chain.

As for Construction & PD segment, the Kuchai Lama project is expected to complete in the near future. The Group will cautiously seek out new projects and opportunities for expansion. Our associate company, Broadway Lifestyle Sdn Bhd (BLSB) is also currently assessing the suitability of timing to undertake the proposed development in Sepang 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 January 2022	2021	3 months ended 31 January 2022	2021
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Tax expense				
- current year tax	135	983	135	983
- prior year tax	-	-	-	-
Deferred tax				
- origination and reversal of temporary differences	186	53	186	53
- prior year	-	-	-	-
	<u>321</u>	<u>1,036</u>	<u>321</u>	<u>1,036</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS ENDED 31 JANUARY 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 10 September 2021, the Company proposes to undertake the following:

- (i) a private placement of up to 10% of the total number of issued shares of WECB ("WECB Share(s)" or "Share(s)") to third party investor(s) to be identified later ("Proposed Private Placement")
- (ii) a bonus issue of up to 151,285,190 new WECB Shares ("Bonus Share(s)") on the basis of 6 Bonus Shares for every 5 existing WECB Shares held on an entitlement date to be determined and announced later by the Board ("Entitlement Date") ("Proposed Bonus Issue of Shares")

(Collectively, the "Proposals")

The application pursuant to the Proposals was submitted to Bursa Securities on 15 September 2021. We received the approvals from Bursa Securities on 27 September 2021 and shareholders' approval for the Proposed Bonus Issue of Shares was obtained at an Extraordinary General Meeting ("EGM") held virtually on 20 October 2021. The Bonus Shares were credited into the shareholders' accounts on 2 December 2021 being the book closing date. The Proposed Bonus Issue of Shares was completed with the listing and quotation for 137,531,980 Bonus Shares on 6 December 2021.

The Company has resolved not to place out any Placement Shares and accordingly, the Private Placement is deemed lapsed on 24 March 2022.

On 22 December 2021, the Company proposes 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 WECB 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 WECB and its subsidiaries ("WECB Group" or the "Group") who fulfil the eligibility criteria set out in the by-laws of the long-term incentive plan ("Eligible Persons") ("LTIP By-Laws") ("Proposed LTIP").

(Collectively, the "Proposals")

The application pursuant to the Proposals was submitted to Bursa Securities on 19 January 2022. We received the approvals from Bursa Securities on 28 January 2022 and on even date, the shareholders have voted in favour and approved the Proposals at the Extraordinary General Meeting ("EGM"). Further details pertaining to the approved Proposed Bonus Issue of Warrants shall be announced in due course.

**20. Bank borrowings**

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

	<b>31 January 2022</b>	<b>31 October 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Current:		
Hire purchase creditors	143	268
Term loan	<u>3,756</u>	<u>2,000</u>
Non-Current:		
Hire purchase creditors	37	73
Term loan	<u>18,934</u>	<u>12,667</u>

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS ENDED 31 JANUARY 2022****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 do not recommend any interim dividend for the financial period ended 31 January 2022.

The proposed 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 25<sup>th</sup> Annual General Meeting on even date. The dividend will be payable 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 January		3 months ended 31 October	
	2022	2021	2022	2021
Net profit/(loss) attributable to shareholders (RM'000)	2,834	2,011	2,834	2,011
Weighted average number of ordinary shares in issue ('000)	241,546	243,758	241,546	243,758
Basic earnings/(losses) per ordinary share (Sen)	0.10	0.82	0.10	0.82

**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	
	RM'000	3 months ended 31 January 2022	3 months ended 31 January 2021	3 months ended 31 January 2022	3 months ended 31 January 2021
		RM'000	RM'000	RM'000	RM'000
Rental charges	20	4	4	4	4
Project management fee	2,000	192	186	192	186
Rental charges of machineries and equipment	-	-	63	-	63

\*Note: Mandate was renewed and approved in the 24<sup>th</sup> Annual General Meeting (AGM) held on 25 March 2021.

By order of the board

Yong Loy Huat  
Chief Executive Officer  
24 March 2022