



**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 2022**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Jul 22 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 31 Jul 21 (RM'000)	CURRENT YEAR TO DATE 31 Jul 22 (RM'000)	PRECEDING YEAR CORRESPONDING TO DATE 31 Jul 21 (RM'000)
<b>Continuing operations</b>				
Revenue	19,011	15,603	53,835	63,299
Operating Profit	2,967	4,416	3,168	11,862
Finance costs	(190)	(143)	(541)	(449)
Interest income	100	57	225	218
Share of loss in associates after tax	(399)	(340)	(1,108)	(1,156)
Profit before tax	2,478	3,990	1,744	10,475
Tax Expense	(1,148)	(1,160)	(1,366)	(3,100)
Profit for the period	1,330	2,830	378	7,375
Other comprehensive income/(expense), net of tax	-	-	-	-
Total comprehensive income	<b>1,330</b>	<b>2,830</b>	<b>378</b>	<b>7,375</b>
Profit/(Loss) for the year representing total comprehensive income/(expenses) for the year attributable to:				
Owners of the Company	1,332	2,831	382	7,379
Non-Controlling interest	(2)	(1)	(4)	(4)
	<b>1,330</b>	<b>2,830</b>	<b>378</b>	<b>7,375</b>
Basic earnings per ordinary share (sen) - Note 23	0.54	1.17	0.16	3.04

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 JULY 2022**

	Note	Unaudited As at end of current quarter 31 Jul 2022 RM'000	Audited As at preceding financial year end 31 Oct 2021 RM'000
<b>ASSETS</b>			
Property, plant and equipment		30,788	29,571
Right-of-use assets		3,018	3,406
Investment properties		487	491
Investment in an associate		8,458	9,566
Deferred Tax assets		2,415	3,361
Total non-current assets		<u>45,166</u>	<u>46,395</u>
Inventories		18,915	14,583
Trade and other receivables		19,927	22,445
Other investments		523	3,610
Current tax assets		164	130
Fixed deposits placed with licensed banks		655	655
Cash and cash equivalents		28,890	18,437
Total current assets		<u>69,074</u>	<u>59,860</u>
<b>Total Assets</b>		<u>114,240</u>	<u>106,255</u>
<b>EQUITY</b>			
Share capital		57,909	57,909
Treasury shares		(639)	(2,564)
Reserves		24,512	22,790
Total equity equitable to equity holders of the Company		<u>81,782</u>	<u>78,135</u>
Non-controlling interest		24	28
<b>Total Equity</b>		<u>81,806</u>	<u>78,163</u>
<b>LIABILITIES</b>			
Loans and borrowings	20	17,055	12,740
Lease liabilities		-	-
Total non-current liabilities		<u>17,055</u>	<u>12,740</u>
Trade and other payables		11,509	12,419
Loans and borrowings	20	3,866	2,268
Lease liabilities		-	32
Current tax liabilities		4	633
Total current liabilities		<u>15,379</u>	<u>15,352</u>
<b>Total Liabilities</b>		<u>32,434</u>	<u>28,092</u>
<b>Total Equity and Liabilities</b>		<u>114,240</u>	<u>106,255</u>
Net asset per share attributable to ordinary equity holders of the Company (RM)		<u>0.33</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 NINE MONTHS ENDED 31 JULY 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>9 months ended 31 July 2022 (Unaudited)</b>						
At 1 November 2021	57,909	(2,564)	22,790	78,135	28	78,163
Total comprehensive income for the period	-	-	382	382	(4)	378
<b>Total comprehensive income/(expenses) for the period</b>	<b>57,909</b>	<b>(2,564)</b>	<b>23,172</b>	<b>78,517</b>	<b>24</b>	<b>78,541</b>
Resale of treasury shares	-	2,564	3,861	6,425	-	6,425
Purchase of treasury shares	-	(639)	-	(639)	-	(639)
Dividends paid	-	-	(2,521)	(2,521)	-	(2,521)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>1,925</b>	<b>1,340</b>	<b>3,265</b>	<b>-</b>	<b>3,265</b>
At 31 July 2022	57,909	(639)	24,512	81,782	24	81,806
<b>9 months ended 31 July 2021 (Unaudited)</b>						
At 1 November 2020	57,909	(1,862)	13,125	69,172	34	69,206
Total comprehensive income for the period	-	-	7,379	7,379	(4)	7,375
<b>Total comprehensive income/(expenses) for the period</b>	<b>57,909</b>	<b>(1,862)</b>	<b>20,504</b>	<b>76,551</b>	<b>30</b>	<b>76,581</b>
Purchase of treasury shares	-	(702)	-	(702)	-	(702)
Dividends paid	-	-	(549)	(549)	-	(549)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>(702)</b>	<b>(549)</b>	<b>(1,251)</b>	<b>-</b>	<b>(1,251)</b>
At 31 July 2021	57,909	(2,564)	19,955	75,300	30	75,330

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 NINE MONTHS ENDED 31 JULY 2022**

	Unaudited 31 Jul 2022 RM'000	Unaudited 31 Jul 2021 RM'000
Profit/(Loss) before tax from continuing operations	1,744	10,475
Adjustments for:		
Non-cash items	4,839	3,445
Non-operating items	164	156
Operating profit before changes in working capital	6,747	14,076
Changes in working capital		
- Net changes in current assets	(1,815)	(1,425)
- Net changes in current liabilities	(910)	(4,764)
Dividend received	-	65
Tax (paid)/refund	(1,081)	(1,542)
Net cash from operating activities	2,941	6,410
<b>Cash flow from investing activities</b>		
- Purchase of machinery and equipment	(4,227)	(505)
- Proceeds from disposal of machinery and equipment	80	41
- Prepayments (Note 1)	-	(2,450)
- Addition of other investments	(971)	-
- Proceeds from disposal of other investments	3,801	-
- Withdrawal/(Placement) of fixed deposits	-	5,684
- Interest received	225	218
Net cash (used in)/from investing activities	(1,092)	2,988
<b>Cash flow from financing activities</b>		
- Payment of hire purchase creditors	(232)	(487)
- Payment of lease liabilities	(32)	(141)
- Repayment of term loan	(2,594)	(1,500)
- Drawdown of term loan	8,738	-
- Dividend paid	(2,521)	(549)
- Repurchase of treasury shares	(639)	(702)
- Resale of treasury shares	6,425	-
- Interest paid	(541)	(449)
Net cash (used in)/from financing activities	8,604	(3,828)
Net (decrease)/increase in cash and cash equivalents	10,453	5,570
Cash and cash equivalents at beginning of financial period	18,437	13,862
Cash and cash equivalents at end of financial period	28,890	19,432

**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	20,568	11,229
Cash and bank balances	RM'000	8,322	8,203
		28,890	19,432

**Note 1** - Prepayment of RM2,450,000 relates to subscription of preference shares into the Group's associate company, Broadway Lifestyle Sdn. Bhd.

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 NINE MONTHS ENDED 31 JULY 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.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 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 July 2022, the Company repurchased 1,600,000 of its issued share capital from the open market for an average price of RM0.3996 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 July 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	1,600,000	639,381
Shares sold during the period	(10,595,640)	(2,563,686)
Bonus shares received	5,779,440	-
<b>Balance of treasury shares as at 31 July 2022</b>	<b>1,600,000</b>	<b>639,381</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 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 July 2022.

	Individual quarter for 3 months ended 31 July							
	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	18,184	12,834	827	2,723	-	46	19,011	15,603
Segment profit/(loss) before tax	3,384	2,531	(791)	966	(115)	493	2,478	3,990
Depreciation and amortisation	1,052	1,016	3	3	-	-	1,055	1,019
Capital investment	768	126	-	-	-	-	768	126



**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 2022**

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

	Cumulative 9 months ended 31 July							
	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	47,455	35,852	6,380	27,382	-	65	53,835	63,299
Segment profit/(loss) before tax	3,833	3,603	(1,849)	6,271	(240)	601	1,744	10,475
Depreciation and amortisation	3,123	3,062	10	9	-	-	3,133	3,071
Capital investment	4,227	503	-	2	-	-	4,227	505

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 July 2022 (RM'000)				
	Manufacturing	Construction & PD	Investment	Unallocated assets	Total
Segment asset	90,181	16,343	7,716	-	114,240

  

	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	43,656	4,051	5,451	677	53,835
Non-current assets	34,293	-	-	-	34,293

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

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

Operating profit is derived as:

	<b>Current Quarter 31 July 2022 (Unaudited) RM</b>	<b>Current Year to Date 31 July 2022 (Unaudited) RM</b>
After charging:		
Depreciation of property, plant and equipment	1,032,016	3,063,418
Depreciation right-of-use assets	21,927	65,780
Depreciation of investment properties	1,313	3,939
Fixed assets written off	91,260	268,533
Loss on fair value on other investments – unrealised	180,500	329,968
And crediting:		
Gain on disposal of other investments	46,332	72,332
Gain on disposal of fixed assets	-	80,000
Gain on foreign exchange – realised	421,606	476,211
Gain on foreign exchange – unrealised	230,662	230,662

**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 except for the following.

The Company had on 30 June 2022 announced that its wholly owned subsidiary, Wong Engineering Industries Sdn Bhd has entered into a sale and purchase agreement to acquire the remaining of 60 years lease expiring on 31 December 2056 on all that piece of industrial land adjacent to its current premise located at Kulim Hi-Tech Park measuring approximately 31,449 square meters for total consideration of RM14,500,000.00. The proposed acquisition was completed on 26 August 2022.

**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 July 2021: RM34,154,000) as security for banking facilities granted to certain subsidiaries and vendor supplying to a subsidiary of which RM20,921,000 (31 July 2021: RM15,692,000) were utilised as at the end of the reporting period.

**13. Capital commitments**

	<b>31 July 2022 RM'000 (Unaudited)</b>
Capital expenditure commitments	
Plant & equipment	
- Contracted but not provided for in the financial statements	<u>18,957</u>



**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 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 July				Cumulative Quarter 9 months ended 31 July			
	2022	2021	Variance		2022	2021	Variance	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	19,011	15,603	3,408	22%	53,835	63,299	(9,464)	-15%
Profit/(Loss) before tax	2,478	3,990	(1,512)	-38%	1,744	10,475	(8,731)	-83%

The Group recorded revenue of RM19.01 million in the quarter ended 31 July 2022 (Q3'22); RM3.41 million higher (up 22%) relative to RM15.60 million reported in the same quarter of financial year 2021 (Q3'21). The higher revenue was contributed by growth from sales in Manufacturing as demand for metal fabricated components remain healthy offset by lower billing from Construction as the Group's project is nearing its completion.

The Group achieved a profit before tax of RM2.48 million, a reduction of RM1.51 million (down 38%) relative to profit before tax of RM3.99 million reported in Q3'21. The drop in profit is attributed to losses suffered in Construction due to reduced billing and fair value losses recorded for Investment for Q3'22.

**Segmental performance**

	Individual Quarter 3 months ended 31 July											
	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	18,184	12,834	5,350	42%	827	2,723	(1,896)	-70%	-	46	(46)	-100%
Profit/(Loss) before tax	3,384	2,531	853	34%	(791)	966	(1,757)	-182%	(115)	493	(608)	-123%

**Manufacturing**

Revenue grew by RM5.35 million (up 42%) driven by strong demand arising from customers in the electrical and electronics (E&E) and semiconductor sector. The segment recorded RM3.38 million profit before tax (up 34%) as a result of higher sales and a more favorable US Dollar exchange rates despite higher input cost of raw materials and overhead.

**Construction & PD**

The construction project at Kuchai Lama recorded billings of RM0.83 million, a drop of RM1.90 million (down 70%) as the project is nearing its completion. The segment suffered loss before tax of RM0.79 million (down 182%) 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 July 2022 relative to Q3'21.



**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 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 Jul 2022		30 Apr 2022		RM'000 (%)	
	RM'000		RM'000			
Revenue	19,011		16,304		2,707 17%	
Profit/(Loss) before tax	2,478		(1,297)		3,775 291%	

The Group recorded revenue of RM19.01 million in Q3'22, an increase of RM2.71 million (up 17%) relative to RM16.30 million reported in the immediate preceding quarter (Q2'22). The higher revenue was supported by growth in sales from Manufacturing offset by lower billings from Construction.

Profit before tax grew by RM3.78 million (up 291%) to RM2.48 million relative to loss before tax of RM1.30 million in Q2'22. This is largely contributed by higher revenue from Manufacturing aside from other factors such as a shift in product mix, better utilisation as well as more favorable US Dollar exchange rates.

**Segmental performance**

	Manufacturing				Construction & PD				Investment			
	31 Jul 2022		30 Apr 2022		31 Jul 2022		30 Apr 2022		31 Jul 2022		30 Apr 2022	
	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)	RM'000	RM'000	RM'000	(%)
Revenue	18,184	15,054	3,130	21%	827	1,250	(423)	-34%	-	-	-	0%
Profit/(Loss) before tax	3,384	(307)	3,691	1202%	(791)	(1,045)	254	24%	(115)	55	(170)	-309%

**Manufacturing**

Revenue grew by RM3.13 million (up 21%) as demand for metal fabricated components continue to be overwhelming. Manufacturing recorded profit before tax of RM3.38 million (up RM3.69 million) due to shift in product mix, better utilisation and more favorable US Dollar exchange rates despite higher cost of raw materials and overhead as compared to Q2'22.

**Construction & PD**

The Kuchai Lama project recorded billings of RM0.83 million, RM0.42 million lower (down 34%) as it draws closer to its completion stages. The segment's loss before tax of RM0.79 million narrowed by RM0.25 million as a result of lower fixed overhead cost.

**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 NINE MONTHS ENDED 31 JULY 2022****16. Prospects**

The Group's Manufacturing segment continue to deliver positive results stemming from persistent orders and healthy demands for metal fabricated components. Looking ahead, the outlook for this segment is expected to remain upbeat as the Group works on upgrade and expansion of its plant and machineries to fulfil the existing surge in orders besides capturing new markets and industries to diversify and increase our customer base. The strengthening of US Dollar exchange rates has also benefitted the Group's business and is expected to sustain over the near term. Nevertheless, we anticipate headwinds to our operation and business to linger driven by fluctuation in input cost and overhead, manpower constraints and challenges in the global supply chain affecting 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 July	3 months ended 31 July	9 months ended 31 July	9 months ended 31 July
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Tax expense				
- current year tax	352	765	422	2,385
- prior year tax	(2)	-	(2)	-
Deferred tax				
- origination and reversal of temporary differences	798	395	946	715
- prior year	-	-	-	-
	<u>1,148</u>	<u>1,160</u>	<u>1,366</u>	<u>3,100</u>

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 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 July 2022 are as follows:

	<b>31 July 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	110	268
Term loan	3,756	2,000
	<u>3,866</u>	<u>2,268</u>
Non-Current:		
Hire purchase creditors	-	73
Term loan	17,055	12,667
	<u>17,055</u>	<u>12,740</u>

**WONG ENGINEERING CORPORATION BERHAD**

Reg No: 199601037606 (409959-W)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR NINE MONTHS ENDED 31 JULY 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 July 2022.

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 25<sup>th</sup> 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 July		9 months ended 31 July	
	2022	2021	2022	2021
Net profit/(loss) attributable to shareholders (RM'000)	1,332	2,831	382	7,379
Weighted average number of ordinary shares in issue ('000)	245,664	242,486	245,664	242,486
Basic earnings/(losses) per ordinary share (Sen)	0.54	1.17	0.16	3.04

**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 July		9 months ended 31 July	
		2022	2021	2022	2021
Rental charges	20	4	4	11	11
Project management fee	2,000	-	-	192	186
Rental charges of machineries and equipment	-	-	144	-	208

\*Note: Mandate was renewed and approved in the 25<sup>th</sup> 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 July		9 months ended 31 July	
	2022	2021	2022	2021
Purchase of one unit 5 tonne forklift	-	-	88	-

By order of the board

Yong Loy Huat  
Chief Executive Officer  
15 September 2022