WONG ENGINEERING CORPORATION BERHAD [199601037606 (409959-W)]

Stock Name	**:**	**WONG**
Type	**:**	**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTION**
Subject	**:**	**WONG ENGINEERING CORPORATION BERHAD ("WEC" OR THE COMPANY")** **PROPOSED DISPOSAL OF 10% EQUITY INTEREST IN BROADWAY LIFESTYLE SDN. BHD., AN ASSOCIATE COMPANY OF WEC ("PROPOSED DISPOSAL")**

1. INTRODUCTION

The Board of Directors of Wong Engineering Corporation Berhad ("**WEC**" or "**the Company**"), had on 21 July 2026 entered into a Share Sale Agreement ("**SSA**") with Econ Property Management Sdn. Bhd. [Registration No. 201601032086 (1203027-M)] of Lot 30462 Jalan Kempas Baru, 81200 Johor Bahru, Johor ("**EPM**" or "**the Purchaser**") for the disposal of 10% equity interest comprising 250,000 ordinary shares and 5,150,000 redeemable non-cumulative preference shares ("**RNCPS**") in Broadway Lifestyle Sdn. Bhd. [Registration No. 201301004739 (1034582-T)] ("**BLSB**") to EPM for a cash consideration of Ringgit Malaysia Six Million Two Hundred Seventy Thousand (RM6,270,000.00) only ("**Disposal Consideration**") ("**Proposed Disposal**").

Following the completion of the Proposed Disposal, the Company will hold 25% equity interest comprising of 625,000 ordinary shares and 12,875,000 RNCPS in BLSB.

Further details on the Proposed Disposal are set out in the ensuing sections of this announcement.

2. INFORMATION ON WEC, BLSB AND EPM

2.1 Information on WEC

WEC was incorporated in Malaysia under the Companies Act 1965 on 14 November 1996 as a private limited company known as Wong Engineering Corporation Sdn. Bhd. ("**WECSB**"). WECSB was converted to a public limited company on 21 December 1996.

The Company is principally engaged in investment holding. Its present issued share capital is RM57,909,068 comprising 252,141,973 ordinary shares inclusive of 2,189,800 treasury shares.

2.2 Information on BLSB

BLSB was incorporated in Malaysia under the Companies Act 1965 on 08 February 2013 as a private limited company.

BLSB is principally engaged in property investment. Its present issued share capital is RM54,000,000 comprising of 2,500,000 ordinary shares and 51,500,000 RNCPS. The directors of BLSB are Ong Yoong Nyock and Ong Wei Kuan.

2.3 Information on EPM

EPM was incorporated in Malaysia under the Companies Act 1965 on 26 September 2016 as a private limited company.

EPM is principally engaged in property management & consultancy and investment holding. Its present issued share capital is RM2 comprising of 2 ordinary shares. The directors and shareholders of EPM are Alfred Goh Pui Teck and Chen Jia Rong, both holding 1 share each in EPM.

3. ORIGINAL COST AND DATE OF INVESTMENT

The original date and cost of investment in BLSB by WEC is set out as follows:

Date	No. of ordinary shares	No. of RNCPS	RM
07 September 2020	875,000	-	875,000.00
30 September 2020	-	7,875,000	7,875,000.00
20 September 2021	-	2,450,000	2,450,000.00
04 October 2022	-	2,450,000	2,450,000.00
17 November 2023	-	2,100,000	2,100,000.00
01 October 2024	-	1,050,000	1,050,000.00
31 December 2024	-	1,050,000	1,050,000.00
05 May 2025	-	1,050,000	1,050,000.00
Total	**875,000**	**18,025,000**	**18,900,000.00**

4. BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION

The Disposal Consideration was arrived at on a "willing buyer willing seller" basis, free from all encumbrances, claims, charges, lien and equities together with all rights attached thereto and all dividends rights and distributions declared paid or made in respect thereof from the date of the SSA, after taking into consideration WEC's cost of investment and the following estimated net assets and liabilities of BLSB as at 31 October 2025:

Description	Amount (RM)
Total Assets	88,587,507
Total Liabilities	53,768,462

The Disposal Consideration will be paid in two (2) tranches as follows:

(a) Ringgit Malaysia Five Million (RM5,000,000.00) to be paid upon execution of the SSA on 21 July 2026 ("**1st Tranche**"); and

(b) The remaining balance of Ringgit Malaysia One Million Two Hundred Seventy Thousand (RM1,270,000.00) within three (3) months from the 1st Tranche.

5. RATIONALE FOR THE PROPOSED DISPOSAL

The Company is undertaking the Proposed Disposal to rebalance and monetise its investment portfolio to support business momentum in its core Precision Engineering segment.

6. UTILISATION OF PROCEEDS

The proceeds received from the Proposed Disposal will be utilised as working capital for its core Precision Engineering segment and repayment of bank borrowings.

7. FINANCIAL EFFECTS OF PROPOSED DISPOSAL

7.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effect on the issued and paid-up share capital of WEC and the direct and/or indirect shareholdings of substantial shareholders' of WEC as the Proposed Disposal will be wholly satisfied in cash and no new ordinary shares will be issued pursuant to the Proposed Disposal.

7.2 Earnings and earnings per share ("**EPS**")

The Proposed Disposal is not expected to have any material effect on the earnings and EPS of WEC for the financial year ending 31 October 2026.

7.3 Net assets ("**NA**") and gearing

The Proposed Disposal is not expected to have any material effect on the NA, NA per share and gearing of WEC for the financial year ending 31 October 2026.

7.4 Expected gain on the Proposed Disposal

For illustrative purposes only, based on the audited consolidated financial statements of the Company and its subsidiaries ("**Group**") for the financial year ended 31 October 2025 ("**FYE 2025**") and on the assumption that the Proposed Disposal had been effected on that date, the Proposed Disposal is expected to result in an estimated gain on disposal of RM3,220,606 computed as follows:

	Amount (RM)
Disposal Consideration	6,270,000
Less: Carrying amount of its 10% equity stake in BLSB as at 31 October 2025	(3,049,394)
Gain on Proposed Disposal	3,220,606

The above pro forma computation is derived based on management's estimates, and that the actual amount of the gain on the Proposed Disposal will depend on the carrying amount of the Group's investment in BLSB upon completion of the Proposed Disposal.

8. APPROVALS/CONSENT REQUIRED

The Proposed Disposal is not subject to the approval of the shareholders of the Company, but subject to approvals and consents having been obtained from the relevant regulatory or governmental body for the transaction and related matters contemplated in the SSA, if applicable.

The Proposed Disposal is not conditional upon any other corporate exercise of the Company.

9. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of Chapter 10 of the Main Market Listing Requirements is 8.07%, based on the latest audited financial statements for FYE 2025.

10. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS OR MAJOR SHAREHOLDERS

None of the Directors and / or major shareholders and / or person connected with a Director or major shareholders have any interest, direct or indirect, in the Proposed Disposal.

11. RISKS FACTORS

Save for customary risk such as non-completion risk in respect of the SSA, there are no other anticipated risk factors which may arise as a result of the Proposed Disposal.

12. DIRECTORS' STATEMENT/RECOMMENDATION

The Board of WEC, having considered all aspects of the Proposal Disposal, is of the opinion that the Proposed Disposal is in the best interest of the Company.

13. ESTIMATED TIME FRAME FOR THE COMPLETION OF THE PROPOSED DISPOSAL

The Proposed Disposal is expected to be completed by 21 October 2026.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SSA will be made available for inspection at the Company's registered office at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia during office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 21 July 2026.