Company name	:	**WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name	:	**WASEONG**
Financial Period Ended	:	**31 December 2018**
Quarter	:	**4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2018 Unaudited RM'000	**Preceding Year Corresponding Quarter Ended 31 December 2017 Unaudited RM'000**	**Financial Year Ended 31 December 2018 Unaudited RM'000**	**Preceding Corresponding Financial Year Ended 31 December 2017 Audited RM'000**
Gross revenue	706,369	979,204	2,961,131	2,492,100
Cost of sales	(628,088)	(886,553)	(2,625,280)	(2,182,428)
Gross profit	**78,281**	**92,651**	**335,851**	**309,672**
Other operating income	13,437	121,114	57,718	169,021
Selling and distribution expenses	(6,365)	(7,235)	(27,314)	(28,012)
Administrative and general expenses	(63,143)	(135,432)	(201,981)	(290,706)
Other gains/(losses) - net	892	111	44	(487)
Finance costs	(10,170)	(11,639)	(38,940)	(41,897)
Share of results of associates and joint ventures	(7,917)	2,358	(18,290)	5,014
Profit before tax	**5,015**	**61,928**	**107,088**	**122,605**
Taxation	(15,950)	12,317	(47,226)	(7,962)
Net (loss)/profit for the financial period/year	**(10,935)**	**74,245**	**59,862**	**114,643**
Net (loss)/profit attributable to:				
- Owners of the Company	(9,977)	65,964	64,797	113,021
- Non-controlling interests	(958)	8,281	(4,935)	1,622
	(10,935)	**74,245**	**59,862**	**114,643**
Earnings per share				
- Basic earnings per share (sen)	(1.29)	8.54	8.39	14.63
- Diluted earnings per share (sen)	(1.29)	8.54	8.39	14.63

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

Company name	:	**WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name	:	**WASEONG**
Financial Period Ended	:	**31 December 2018**
Quarter	:	**4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2018 Unaudited RM'000	**Preceding Year Corresponding Quarter Ended 31 December 2017 Unaudited RM'000**	**Financial Year Ended 31 December 2018 Unaudited RM'000**	**Preceding Corresponding Financial Year Ended 31 December 2017 Audited RM'000**
Net (loss)/profit for the financial period/year	**(10,935)**	**74,245**	**59,862**	**114,643**
Other comprehensive (expenses)/income, net of tax:				
Items that may be subsequently reclassified to profit or loss				
Available-for-sale financial assets				
- Fair value gain/(loss)	2	(1)	-	-
Share of other comprehensive income of an associate, net of tax	8	-	679	(2,117)
Foreign currency translation differences for foreign operations	(3,292)	(4,501)	1,429	472
	(3,282)	(4,502)	2,108	(1,645)
Total comprehensive (expenses)/income for the financial period/year	**(14,217)**	**69,743**	**61,970**	**112,998**
Total comprehensive (expense)/income attributable to:				
- Owners of the Company	(13,464)	62,073	66,338	110,161
- Non-controlling interests	(753)	7,670	(4,368)	2,837
	(14,217)	**69,743**	**61,970**	**112,998**

(The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

Company name	:	**WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name	:	**WASEONG**
Financial Period Ended	:	**31 December 2018**
Quarter	:	**4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December 2018 Unaudited RM'000	As at 31 December 2017 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	829,595	965,096
Prepaid lease payments	89,262	90,584
Investment properties	18,460	9,340
Investment in associates	182,029	185,223
Investment in joint ventures	126,368	146,446
Investment in equity instruments	6	-
Available-for-sale financial assets	-	10
Goodwill and other intangible assets	145,404	143,390
Finance lease receivables	18,042	-
Deferred tax assets	43,347	41,724
	1,452,513	1,581,813
Current Assets		
Inventories	324,666	290,159
Contract assets	96,923	-
Amounts due from customers on contracts	-	52,467
Trade and other receivables	558,876	843,136
Amounts owing by associates	11,617	12,722
Amounts owing by joint ventures	55,471	55,417
Finance lease receivables	14,380	-
Tax recoverable	15,479	15,418
Derivative financial assets	146	94
Time deposits	76,373	111,396
Cash and bank balances	156,363	189,612
	1,310,294	1,570,421
Assets classified as held for sale	3,128	18,143
TOTAL ASSETS	2,765,935	3,170,377
EQUITY AND LIABILITIES		
Capital and Reserves Attributable to Owners of the Company		
Share capital	547,690	547,690
Treasury shares	(4,779)	(2,331)
Exchange translation reserves	(4,679)	(6,220)
Available-for-sale reserve	-	6
Retained profits	417,494	355,016
Equity attributable to owners of the Company	955,726	894,161
Non-controlling interests	91,318	96,211
TOTAL EQUITY	1,047,044	990,372

Company name	:	**WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name	:	**WASEONG**
Financial Period Ended	:	**31 December 2018**
Quarter	:	**4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	As at 31 December 2018 Unaudited RM'000	As at 31 December 2017 Audited RM'000
LIABILITIES		
Non-Current and Deferred Liabilities		
Loans and borrowings	129,410	201,669
Deferred tax liabilities	13,804	13,128
Trade and other payables	6,294	491,929
	149,508	706,726
Current Liabilities		
Contract liabilities	52,792	-
Amounts due to customers on contracts	-	31,759
Trade and other payables	726,350	618,000
Provision for warranties	8,895	6,929
Amounts owing to associates	-	175
Amounts owing to joint ventures	3,959	3,314
Loans and borrowings	718,215	774,854
Dividend payable	3,804	13,685
Current tax liabilities	55,368	24,563
	1,569,383	1,473,279
TOTAL LIABILITIES	1,718,891	2,180,005
TOTAL EQUITY AND LIABILITIES	2,765,935	3,170,377

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 December 2018**
Quarter : **4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have not been audited

	---------- Attributable to owners of the Company ----------								
	Share capital RM'000	**Share premium RM'000**	**Treasury shares RM'000**	**Exchange translation reserves RM'000**	**Available-for-sale reserve RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2018									
- as previously stated	547,690	-	(2,331)	(6,220)	6	355,016	894,161	96,211	990,372
- effects of adpotion of MFRS 9	-	-	-	-	(6)	(2,319)	(2,325)	-	(2,325)
- as restated	547,690	-	(2,331)	(6,220)	-	352,697	891,836	96,211	988,047
Net profit/(loss) for the financial year	-	-	-	-	-	64,797	64,797	(4,935)	59,862
Other comprehensive income for the financial year	-	-	-	1,541	-	-	1,541	567	2,108
Total comprehensive income/(expense) for the financial year	-	-	-	1,541	-	64,797	66,338	(4,368)	61,970
Shares purchased (including transaction costs)	-	-	(2,448)	-	-	-	(2,448)	-	(2,448)
Dividend paid/payable to non-controlling interests	-	-	-	-	-	-	-	(525)	(525)
Total contributions by and distributions to owners	-	-	(2,448)	-	-	-	(2,448)	(525)	(2,973)
Total transactions with owners	-	-	(2,448)	-	-	-	(2,448)	(525)	(2,973)
At 31 December 2018	547,690	-	(4,779)	(4,679)	-	417,494	955,726	91,318	1,047,044

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 December 2018**
Quarter : **4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have been audited

	---------- Attributable to owners of the Company ----------								
	Share capital RM'000	**Share premium RM'000**	**Treasury shares RM'000**	**Exchange translation reserves RM'000**	**Available-for-sale reserve RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2017	387,444	160,246	(2,331)	(11,469)	6	241,995	775,891	91,913	867,804
Net profit for the financial year	-	-	-	-	-	113,021	113,021	1,622	114,643
Other comprehensive (expense)/income for the financial year	-	-	-	(2,860)	-	-	(2,860)	1,215	(1,645)
Total comprehensive (expense)/income for the financial year	-	-	-	(2,860)	-	113,021	110,161	2,837	112,998
Transition to no-par value regime on 31 January 2017	160,246	(160,246)	-	-	-	-	-	-	-
Total contributions by and distributions to owners	160,246	(160,246)	-	-	-	-	-	-	-
Acquisition of shares in existing subsidiary from non-controlling interest	-	-	-	-	-	-	-	400	400
Disposal of a subsidiary	-	-	-	6,895	-	-	6,895	-	6,895
Liquidation of a joint venture	-	-	-	1,214	-	-	1,214	1,061	2,275
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	8,109	-	-	8,109	1,461	9,570
Total transactions with owners	160,246	(160,246)	-	8,109	-	-	8,109	1,461	9,570
At 31 December 2017	547,690	-	(2,331)	(6,220)	6	335,016	894,161	96,211	990,372

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

Company name	:	**WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name	:	**WASEONG**
Financial Period Ended	:	**31 December 2018**
Quarter	:	**4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year Ended 31 December 2018 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2017 Audited RM'000
Cash flows from operating activities		
Profit before tax	107,088	122,605
Adjustments for non-operating items:		
Depreciation and amortisation	189,766	146,458
Other non-cash items	10,414	(14,448)
Interest expense	38,940	41,897
Interest income	(6,687)	(7,660)
Operating profit before changes in working capital	339,521	288,852
Changes in working capital:		
Net changes in current assets	(10,416)	(119,713)
Net changes in current liabilities	(86,668)	221,818
Cash generated from operations	242,437	390,957
Interest received	6,687	7,660
Interest paid	(38,940)	(41,897)
Tax paid	(13,234)	(19,199)
Net cash generated from operating activities	196,950	337,521
Cash flows from investing activities		
Purchase of property, plant and equipment	(98,207)	(477,999)
Purchase of investment properties	(7,216)	(30)
Purchase of intangible assets	(11)	(25)
Net cash outflow from disposal of a subsidiary	-	(5)
Proceeds from disposal of property, plant and equipment	65,433	8,074
Proceeds from disposal of prepaid lease payments	87,110	5,790
Proceeds from disposal of assets held for sale	46,286	-
Proceeds from disposal of an associate	440	-
Net proceeds from deposits and short term investment	56,421	12,970
Additional investment in an associate	-	(9,433)
Dividends received from an associate	257	4,228
Dividends received from joint venture	4,312	3,450
Net (advance to)/repayment from associates	(793)	448
Net repayment from joint ventures	1,545	16,852
Net cash generated from/(used in) investing activities	155,577	(435,680)
Cash flows from financing activities		
Purchase of treasury shares	(2,448)	-
Drawdown of other bank borrowings	1,271,640	1,515,173
Repayments of other bank borrowings	(1,399,674)	(1,568,759)
Drawdown of term loans	124,217	3,406
Repayment of term loans	(110,677)	(117,422)
Drawdown of fixed rate notes	2,071	-
Repayment of fixed rate notes	(23,083)	-
Net movements in advances from customer	(213,937)	265,886
Dividend paid to non-controlling interests	(10,178)	-
Proceeds received from non-controlling interests on issuance of shares by subsidiaries	-	400
Net cash (used in)/generated from financing activities	(362,069)	98,684
Net changes in cash and cash equivalents	(9,542)	525
Currency translation differences	(2,309)	(1,803)
Cash and cash equivalents at beginning of the financial year	227,110	228,388
Cash and cash equivalents at end of the financial year	215,259	227,110

Company name	:	**WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name	:	**WASEONG**
Financial Period Ended	:	**31 December 2018**
Quarter	:	**4**

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Financial Year Ended 31 December 2018 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2017 Audited RM'000
Cash and cash equivalents at the end of the financial year comprise of the following:		
Time deposits	76,373	111,396
Cash and bank balances	156,363	189,612
Subtotal	232,736	301,008
Less:		
Time deposits with maturity more than 3 months	(16,868)	(55,036)
Short term investments	(609)	(18,862)
	215,259	227,110

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

NOTES TO INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The interim financial statements are in compliance with IAS 34 "Interim Financial Reporting".

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2017, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS beginning 1 January 2018:

MFRS 9	Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 140	Investment Property – Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the revised standards and amendments that are applicable from the financial year beginning on 1 January 2018 is not expected to result in any material impact on the financial position and results of the Group.

The following MFRS and Amendments to MFRS have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective to the Group:

Effective from financial year beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRSs 2015 – 2017 Cycle	Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2015 – 2017 Cycle
IC Interpretation 23	Uncertainty over Income Tax Treatments

Effective from financial year beginning on or after 1 January 2020

Amendments to MFRS 3, MFRS 101, MFRS 108, MFRS 134, MFRS 137 and MFRS 138	Amendments to References to the Conceptual Framework in MFRS Standards

2. Qualification of financial statements

The audited financial statements of the preceding financial year were not subject to any qualification.

3. Seasonal or cyclical factors

The Group's operation was not affected by seasonal or cyclical factors.

4. Unusual items

Save for the information disclosed in this financial report, there were no other material items affecting assets, liabilities, equity, net income, or cash flows for the financial period/year that were unusual due to their nature, size, or incidence.

5. Changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods that had a material effect in the current interim period.

6. Debt and equity securities

During the fourth quarter of 2018, the Company purchased 1,168,600 of its total number of issued ordinary shares from the open market (period to-date: 2,329,600). The Company held a total of 4,426,938 treasury shares as at 31 December 2018.

Apart from the above, there were no other issuance and repayment of debt and equity securities, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial period/year ended 31 December 2018.

7. Dividends

The Directors did not declare any dividend in the current/corresponding prior financial period/year.

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 December 2018**
Quarter : **4**

8. Segment information

RESULTS	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
Financial year ended 31 December 2018					
Revenue	1,981,234	335,845	481,679	165,505	2,964,263
Less: Inter segment revenue	(2,711)	-	-	(421)	(3,132)
External revenue	1,978,523	335,845	481,679	165,084	2,961,131
Segment profits	126,107	29,231	7,279	591	163,208
Share of results of associates	1,448	-	(208)	(70)	1,170
Share of results of joint ventures	(21,719)	1,506	-	753	(19,460)
	105,836	30,737	7,071	1,274	144,918
Unallocated expenses relating to financing activities					(20,253)
Unallocated corporate expenses					(17,577)
Profit before tax					107,088
TOTAL ASSETS					
As at 31 December 2018					
Segment assets	1,597,077	411,187	257,917	72,258	2,338,439
Investment in associates	181,864	-	165	-	182,029
Investment in joint ventures	104,107	3,731	-	18,530	126,368
	1,883,048	414,918	258,082	90,788	2,646,836
Assets classified as held for sale					3,128
Unallocated corporate assets					
- Deferred tax assets					43,347
- Tax recoverable					15,479
- Cash and cash equivalents					18,566
- Short term investment					609
- Others					37,970
Total assets					2,765,935

8. Segment information (continued)

	Oil & Gas	Renewable Energy	Industrial Trading & Services	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
OTHER INFORMATION					
Financial year ended 31 December 2018					
Depreciation of:					
- Property, plant and equipment	180,206	4,676	1,886	1,341	188,109
- Investment properties	-	-	4	325	329
Amortisation of:					
- Prepaid lease payments	508	-	820	-	1,328
Additions of:					
- Property, plant and equipment	91,141	5,265	353	1,448	98,207
- Investment properties	-	-	-	7,216	7,216
Impairment loss/(reversal of impairment loss) on:					
- Receivables	70	1,471	2,021	209	3,771
- Inventories	2,120	481	(586)	-	2,015
- Property, plant and equipment	(4,904)	-	48	-	(4,856)
Interest income	(4,582)	(791)	(949)	(365)	(6,687)
Interest expense	11,580	2,521	3,284	1,302	18,687

8. Segment information (continued)

	Oil & Gas	Renewable Energy	Industrial Trading & Services	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
OTHER INFORMATION					
Financial year ended 31 December 2018					
Revenue comprise of:					
- Revenue from contracts with customers	1,915,058	335,845	480,549	165,058	2,896,510
- Revenue from other sources	63,465	-	1,130	26	64,621
	1,978,523	335,845	481,679	165,084	2,961,131
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	1,843,051	198,281	-	142,962	2,184,294
- At a point in time	72,007	137,564	480,549	22,096	712,216
	1,915,058	335,845	480,549	165,058	2,896,510

Comparative information for the previous financial year is not required to be disclosed in accordance with MFRS 15.

8. Segment information (continued)

RESULTS	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
Financial year ended 31 December 2017					
Revenue	1,558,949	280,274	520,423	134,791	2,494,437
Less: Inter segment revenue	(1,877)	-	-	(460)	(2,337)
External revenue	1,557,072	280,274	520,423	134,331	2,492,100
Segment profits/(losses)*	124,793	28,492	(493)	(4,307)	148,485
Share of results of associates*	137	-	43	(5,043)	(4,863)
Share of results of joint ventures	7,088	1,015	-	1,774	9,877
	132,018	29,507	(450)	(7,576)	153,499
Unallocated expenses relating to financing activities					(24,963)
Unallocated corporate expenses					(5,931)
Profit before tax					122,605
TOTAL ASSETS					
As at 31 December 2017					
Segment assets**	1,966,038	333,006	293,867	93,712	2,686,623
Investment in associates**	184,360	-	863	-	185,223
Investment in joint ventures	126,791	2,225	-	17,430	146,446
	2,277,189	335,231	294,730	111,142	3,018,292
Assets classified as held for sale	18,050		93		18,143
Unallocated corporate assets					
- Deferred tax assets					41,724
- Tax recoverable					15,418
- Cash and cash equivalents					18,155
- Short term investment					18,862
- Others					39,783
Total assets					3,170,377

8. Segment information (continued)

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
OTHER INFORMATION					
Financial year ended 31 December 2017					
Depreciation of:					
- Property, plant and equipment	136,172	4,647	2,161	1,733	144,713
- Investment properties	-	-	13	223	236
Amortisation of:					
- Prepaid lease payments	689	-	820	-	1,509
Additions of:					
- Property, plant and equipment	473,320	2,993	569	1,117	477,999
- Investment properties	-	-	-	30	30
Impairment loss on:					
- Trade receivables	-	921	502	-	1,423
- Property, plant and equipment	72,024	-	818	-	72,842
- Inventories	-	3,386	2,821	-	6,207
Interest income	(3,921)	(1,023)	(1,443)	(1,273)	(7,660)
Interest expense	12,628	820	2,881	605	16,934

** Segment (losses)/profits and share of results of associates are inclusive of Plantation segment, which amounted to loss of RM8,698,000 and loss of RM5,043,000 respectively within the "Others" segment.*

*** The Plantation segment has been disposed of in 2017. As such, segment assets and investment in associates in relation to the Plantation segment were both nil within the "Others" segment.*

9. Events subsequent to the balance sheet date

The Company had on 4 January 2019 announced that Wasco Engineering & Technology Inc ("WETI"), an indirect 65%-owned subsidiary of the Company, had appointed Mr Fakeermahamod, Mohammad Shakil of 4th Floor, Hennessy Tower, Pope Hennessy Street, Port Louis, Mauritius as the Voluntary Liquidator of WETI to voluntary wind-up WETI in accordance with the rules and regulations of the BVI Business Companies Act, 2004 further to the Shareholders' Meeting of WETI held on 5 December 2018. The application for the appointment of the Voluntary Liquidator was duly filed and approved by the Financial Services Commission of British Virgin Islands on 4 January 2019 and the duly stamped documents were received by the Company on 9 January 2019.

WETI was incorporated on 28 August 2008 under the BVI Business Companies Act, 2004 with its total issued and paid-up share capital of USD300,000 comprising 300,000 ordinary shares of USD1.00 each. WETI was principally involved in the investment holding and provision of engineering works and services. WETI is a direct 65%-owned subsidiary by Wasco Engineering Group Limited which in turn is an indirect 65%-owned subsidiary of WSC.

10. Effects of changes in the composition of the Group during the current quarter

(a) The Company had on 12 December 2018 announced that Spirolite Marketing Sdn Bhd ("Spirolite Marketing"), an indirect wholly-owned subsidiary of the Company, had at its Extraordinary General Meeting held on 12 December 2018, inter-alia, approved the special resolution to wind up Spirolite Marketing by way of the Member's Voluntary Winding Up by its shareholder ("Member's Voluntary Winding Up").

In order to facilitate the Member's Voluntary Winding Up, Mr. Ng Eng Kiat and Mr. Ng Yong Chin of Folks Corporate Services Sdn Bhd of Suite 1102, 11th Floor, Wisma Tun Sambanthan, No. 2, Jalan Sultan Sulaiman, 50000 Kuala Lumpur, Wilayah Persekutuan have been appointed as the Liquidators for Spirolite Marketing.

Spirolite Marketing was incorporated on 22 August 1992 under the Companies Act, 1965 with its total issued and paid-up share capital of RM100,000 comprising 100,000 ordinary shares. Spirolite Marketing was principally involved in the trading of spiral pipes, straight pipes, tubes, tanks and containers. Spirolite Marketing had ceased operations in 2015 and has since remained dormant. Spirolite Marketing is directly wholly-owned by Spirolite (M) Sendirian Berhad which in turn is an indirect wholly-owned subsidiary of WSC.

(b) The Company had on 20 December 2018 disposed of 50,000 ordinary shares, representing 100% equity interest in the issued share capital of Peakvest Sdn. Bhd. ("PSB") to Jutasama Sdn Bhd ("JSB"), a wholly-owned subsidiary of the Company, for a total cash consideration of RM50,000 ("Disposal of PSB Shares").

PSB was incorporated on 13 October 1989 under the Companies Act, 1965. The existing issued share capital of PSB is RM5,000 comprising 50,000 ordinary shares. PSB is principally involved in buying, selling, renting and operating of self-owned or leased real estate – land.

None of the Directors, major shareholders, person connected to the Directors or person connected to the major shareholders of the Company or any of its subsidiaries has any interest, direct or indirect, in the Disposal of PSB Shares.

10. Effects of changes in the composition of the Group during the current quarter (continued)

(c)(i) The Company had on 27 December 2018 announced that Syn Tai Hung Trading Sdn Bhd ("STHT"), an indirect wholly-owned subsidiary of the Company, had on 27 December 2018 transferred 1,000,000 ordinary shares, representing 100% equity interest in the issued share capital of STH Sri Bulatan Sdn. Bhd. ("STHSB") to WDG Resources Sdn. Bhd. ("WDG"), a 60%-owned subsidiary of the Company, for a total cash consideration of RM163,233 ("Transfer of STHSB Shares").

STHSB was incorporated on 30 March 1995 as Affluent Leisure Sdn Bhd ("ALSB") under the Companies Act, 1965. The change of name from ALSB to IPS Project Supply Sdn Bhd ("IPSPS") and from IPSPS to STHSB was effected on 24 August 1996 and 17 July 2002 respectively. The existing issued share capital of STHSB is RM1,000,000 comprising 1,000,000 ordinary shares. STHSB was previously an investment holding company and has ceased operations during the financial year ended 31 December 2008 and has remained dormant to date. Moving forward, STHSB will be principally involved in the business of trading, distribution and service of industry machinery, equipment and spare parts.

STHT was incorporated on 16 February 1995 under the Companies Act, 1965. The existing issued share capital of STHT is RM20,000,000 comprising 12,000,000 ordinary shares and 11,430,000 redeemable preference shares. STHT is an indirect wholly-owned subsidiary of WSC and is principally involved in trading and distribution of building materials.

WDG was incorporated on 6 July 1996 as Citra Kirmizi Sdn Bhd ("CKSB") under the Companies Act, 1965. The change of name from CKSB to Advanced Piping Systems Sdn Bhd ("APS") and from APS to WDG was effected on 18 October 1997 and 19 November 2015 respectively. The existing issued share capital of WDG is RM3,008,000 comprising 2,000,000 ordinary shares and 1,008,000 redeemable cumulative preference shares. WDG is an indirect 60%-owned subsidiary of WSC via STHT and the remaining 40% shareholding is held by Epilog Tegap Sdn Bhd ("ETSB"). WDG is principally involved in manufacturing, fabrication, trading, distribution and service of industry machinery, equipment and parts.

ETSB was incorporated on 6 July 2015 under the Companies Act, 1965. The existing issued share capital of ETSB is RM105,000 comprising 105,000 ordinary shares which are held by Midvest Asia Sdn Bhd ("MASB"), Go Hotels Sdn Bhd and Mr Danny Ang Cha Sen in the proportions of 33.33% each. ETSB is an investment holding company.

With the completion of the Transfer of STHSB Shares, STHSB shall ceased to be a direct wholly-owned subsidiary of STHT and shall become a wholly-owned subsidiary of WDG and an indirect 60%-owned subsidiary of STHT via WDG.

(c)(ii) Further to the announcement made on 27 December 2018, the Company had on 2 January 2019 announced the additional information as follows:-

- The basis of arriving at the total consideration of RM163,233 for the Transfer of STHSB Shares is based on the Net Book Value shown in Audited Financial Statements for the financial year ended 31 December 2017 of STHSB ("AFS 2017").
- The value of the net assets for STHSB is RM163,233 in accordance to the figure shown in the AFS 2017.
- The value of the total assets for STHSB is RM170,104 in accordance to the figure shown in the AFS 2017.

10. Effects of changes in the composition of the Group during the current quarter (continued)

(d) Further to the announcement made on 27 December 2016, the Company had on 31 December 2018 announced that WSC Capital (Labuan) Limited ("WSC Labuan"), a wholly-owned subsidiary of the Company had held its final meeting for the Members' Voluntary Winding Up on 31 December 2018.

WSC Labuan will be fully dissolved after the expiration of three months from the date of lodgement of the Return by Liquidator relating to the Final Meeting with the Labuan Financial Services Authority and Official Receiver.

11. Status of corporate proposals

There are no corporate proposals announced but not completed as at 18 February 2019, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

12. Capital commitments

Capital commitments not provided for in the interim report:

	As at 31 December 2018 RM'000
Approved and contracted for	606
Approved but not contracted for	1,154

13. Operating lease commitments

Total future minimum lease payments under operating leases are as follows:

	As at 31 December 2018 RM'000
Payable not later than one year	21,565
Payable later than one year and not later than five years	78,618
Payable later than five years	160,764

Other information required by Bursa Malaysia Securities Berhad Main Market Listing Requirements

14. Review of performance of operating segments for the current quarter and financial year ended 31 December 2018

Oil & Gas Segment

The Oil & Gas Segment's external revenue for the fourth quarter and financial year ended 31 December 2018 were RM453.0 million and RM1,981.2 million, compared with RM710.5 million and RM1,557.1 million in the corresponding periods in 2017. The segment had a profit before taxation of RM6.9 million and RM105.8 million respectively, compared with a profit before taxation of RM64.0 million and RM132.0 million in the corresponding periods in 2017. Excluding one-off items arising from the gain on sales and leaseback of land offset by impairment of certain idle assets, the segment had a profit before taxation for the fourth quarter and financial year ended 31 December 2017 of RM36.6 million and RM104.6 million.

The decrease in revenue in the current quarter was mainly the result of low level of activities especially in Asia Pacific Region. This decrease in revenue and the share of impairment losses made by joint ventures resulted in a lower segment profit before taxation in the current quarter, compared with the corresponding quarter in 2017.

The increase in revenue and profit before taxation for the financial year ended 31 December 2018 were mainly driven by the contribution from pipeline services division.

Renewable Energy Segment

The Renewable Energy Segment's external revenue for the fourth quarter and financial year ended 31 December 2018 were RM100.0 million and RM335.8 million, compared with RM85.6 million and RM280.3 million in the corresponding periods in 2017. Profit before taxation for the fourth quarter and financial year ended 31 December 2018 were RM7.3 million and RM30.7 million, compared with RM12.1 million and RM29.5 million in the corresponding periods in 2017.

For the current quarter compared with the corresponding quarter in 2017, the increase in revenue was mainly attributable to higher revenue registered by the boiler and steam turbine business. Profit before taxation was impacted by compression in profit margins on revenue from equipment fabrication and steam turbines.

For the financial year ended 31 December 2018 compared with the preceding year, the overall increase in revenue and profit before taxation was mainly due to higher sales from the boiler and steam turbine businesses but revenue from the fabrication business declined.

14. Review of performance of operating segments for the current quarter and financial year ended 31 December 2018 (continued)

Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the fourth quarter and financial year ended 31 December 2018 were RM111.0 million and RM481.7 million, compared with RM147.5 million and RM520.4 million in the corresponding periods in 2017. The segment recorded a loss before taxation of RM2.9 million and profit before taxation of RM7.1 million for the fourth quarter and financial year ended 31 December 2018, compared with profit before taxation of RM0.4 million and loss before taxation of RM0.5 million in the corresponding periods in 2017.

For the current quarter compared with the corresponding quarter in 2017, revenue decreased mainly due to the weak market conditions resulting in lower sales of building materials and HDPE pipes. Loss before taxation was registered as a result of lower profit margins and higher operational expenses from the construction equipment and power generation businesses, as well as building materials business.

For financial year ended 31 December 2018 compared with the preceding year, the decline in revenue from building materials more than offset the higher contribution from construction equipment and power generation and HDPE pipes manufacturing business. On profit before tax, the segment registered a profit compared with a loss in the corresponding year. This improvement in performance was due to higher margins from the HDPE pipes business as well as a gain from disposal of plant and machinery from the closure of the steel pipe manufacturing business and disposal of shoplot.

15. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The Group recorded a profit before taxation of RM5.0 million in the current quarter, compared with a profit before taxation of RM37.4 million in the previous quarter. The result in the quarter was affected by revenue generated from lower margin activities as well as impairment loss recognized by joint venture company and additional provisions made upon adoption of new standards.

16. Current period prospects

The Group's current order book is RM1.1 billion, comprising RM774.2 million in the Oil & Gas segment, RM283.3 million in the Renewable Energy segment, and RM54.4 million in the Industrial Trading & Services segment. The Group is seeing an upturn in tendering as well as preparatory activities by oil & gas majors for a number of prospective projects, which are expected to convert into firm bids in the near term with awards taking place in the next 6 to 18 months. The outlook for profits should improve in the course of the year.

17. Profit before tax

Profit before tax is stated after charging/(crediting) the following items:	Current Quarter Ended 31 December 2018 RM'000	Preceding Year Corresponding Quarter Ended 31 December 2017 RM'000	Financial Year Ended 31 December 2018 RM'000	Preceding Corresponding Financial Year Ended 31 December 2017 RM'000
Interest income	(862)	(3,221)	(6,687)	(7,660)
Depreciation and amortisation	48,226	75,890	189,766	146,458
Impairment loss on receivables - net	3,697	1,438	3,771	1,753
Impairment loss and write-off of inventories - net	2,744	20	2,015	3,860
(Reversal) of/Impairment loss on property, plant and equipment - net	(4,904)	72,842	(4,856)	72,842
Net foreign exchange loss	4,911	3,043	7,760	3,327
Gain on disposal of property, plant and equipment	(645)	(36,662)	(5,439)	(36,662)
Gain on disposal of prepaid lease payments	-	(64,071)	-	(64,071)
Gain on disposal of assets held for sale	(51)	-	(4,534)	-
Gain on disposal of an associate	-	-	(207)	-

Save as disclosed above and in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Group.

18. Taxation

Taxation comprises the following:

	Current Quarter Ended 31 December 2018 RM'000	Financial Year Ended 31 December 2018 RM'000
Tax expense		
- Malaysian tax	(1,628)	1,811
- Foreign tax	17,578	45,415
	15,950	47,226

The effective tax rate of the Group varies from the statutory tax rate due to the following:

	Current Quarter Ended 31 December 2018 RM'000	Financial Year Ended 31 December 2018 RM'000
Profit before tax	5,015	107,088
Tax expense at the statutory tax rate – 24%	1,204	25,701
Other tax adjustments	13,664	20,729
Underprovision in prior financial year	1,082	796
	14,746	21,525
Taxation	15,950	47,226

19. Profit forecast

The Group did not issue any profit forecast for the current quarter.

20. Group's borrowings and debt securities

	31 December 2018 RM'000
Unsecured	
Short term borrowings	
Revolving credits	511,118
Term loans	110,892
Trade financing	87,190
Fixed rate notes	9,015
	718,215
Long term borrowings	
Term loans	129,410
	129,410
Total borrowings	847,625

The Group's borrowings are denominated in the following currencies:

	RM'000
United States Dollar	584,684
Ringgit Malaysia	218,000
Euro Dollar	23,344
Australian Dollar	21,597
	847,625

21. Fair value of financial instruments

The fair value gains and losses arising from fair value changes in financial assets and liabilities during the current quarter and financial year ended 31 December 2018 are as follows:

	Current Quarter Ended 31 December 2018 RM'000	Preceding Year Corresponding Quarter Ended 31 December 2017 RM'000	Financial Year Ended 31 December 2018 RM'000	Preceding Corresponding Financial Year Ended 31 December 2017 RM'000
Balance as at				
- 1 January	-	-	104	591
- 1 October	(775)	(6)	-	-
Fair value gain/(loss) recognised in:				
- profit or loss	892	111	44	(487)
- other comprehensive income/ (expenses)	2	(1)	-	-
Effect of changes in exchange rate	33	-	4	-
Balance as at 31 December	152	104	152	104

21. Fair value of financial instruments (continued)

	31 December 2018 RM'000	31 December 2017 RM'000
Represented by:		
Investment in equity instruments carried at fair value	6	-
Available-for-sale financial assets carried at fair value	-	10
Derivative financial assets	146	94
	152	104

Fair value hierarchy

The table below summarises all financial instruments carried at fair value as at end of the financial year, based on a hierarchy that reflects the significance of the inputs used in measuring its respective fair values. The levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical financial assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2018				
Financial assets				
Investment in equity instruments	6	-	-	6
Derivative financial assets	-	146	-	146

Valuation techniques used to derive Level 2 fair values

The Level 2 fair values represent an estimated valuation derived from market quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions.

There were no changes in valuation techniques during the financial year.

22. Material litigation

There were no material litigations pending since the last annual balance sheet date up to 18 February 2019.

23. Earnings per share (EPS)

Basic and diluted earnings per share

The basic and diluted earnings per share have been computed based on net profit attributable to the owners of the Company for the current financial quarter/period divided by the weighted average number of ordinary shares after adjusting for movements in treasury shares in the same financial quarter/period:

	Current Quarter Ended 31 December 2018	Preceding Year Corresponding Quarter Ended 31 December 2017	Financial Year Ended 31 December 2018	Preceding Year Corresponding Financial Year Ended 31 December 2017
Net profit attributable to the owners of the Company (RM'000)	(9,977)	65,964	64,797	113,021
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	770,676	772,791	772,101	772,791
Basic/diluted earnings per share (sen)	(1.29)	8.54	8.39	14.63

24. Contingent liabilities

There were no contingent liabilities arising since the last annual audited statement of financial position.

By Order of the Board

Woo Ying Pun
Company Secretary

Kuala Lumpur