

Company name : WAH SEONG CORPORATION BERHAD  
 (Registration No.: 199901020946 (495846-A))  
 Stock name : WASEONG  
 Financial Period Ended : 30 June 2021  
 Quarter : 2

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30 June 2021 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 June 2020 Unaudited RM'000	Current Period To-date Ended 30 June 2021 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2020 Unaudited RM'000
Gross revenue	336,855	243,115	670,297	569,855
Cost of sales	(303,207)	(224,989)	(582,719)	(528,158)
<b>Gross profit</b>	<b>33,648</b>	<b>18,126</b>	<b>87,578</b>	<b>41,697</b>
Other operating income	16,040	7,152	38,580	33,982
Selling and distribution expenses	(7,689)	(7,919)	(14,347)	(16,419)
Administrative and general expenses	(34,930)	(32,811)	(80,770)	(87,695)
Impairment (loss)/reversal on financial assets	124	(400)	1,004	(9,248)
Other (losses)/gains - net	(64)	1,232	(2,601)	1,509
Finance costs	(8,665)	(12,137)	(16,973)	(24,466)
Share of results of associates and joint ventures	5,928	(3,755)	4,949	(13,128)
<b>Profit/(Loss) before tax</b>	<b>4,392</b>	<b>(30,512)</b>	<b>17,420</b>	<b>(73,768)</b>
Tax expense	(6,501)	(3,892)	(7,463)	(6,839)
<b>Net profit/(loss) for the financial period</b>	<b>(2,109)</b>	<b>(34,404)</b>	<b>9,957</b>	<b>(80,607)</b>
<b>Net profit/(loss) attributable to:</b>				
- Owners of the Company	1,966	(29,636)	10,538	(74,062)
- Non-controlling interests	(4,075)	(4,768)	(581)	(6,545)
	<b>(2,109)</b>	<b>(34,404)</b>	<b>9,957</b>	<b>(80,607)</b>
Earnings per share				
- Basic earnings per share (sen)	0.25	(3.83)	1.36	(9.59)
- Diluted earnings per share (sen)	0.25	(3.83)	1.36	(9.59)

(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 2020)

Company name : WAH SEONG CORPORATION BERHAD  
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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30 June 2021 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 June 2020 Unaudited RM'000	Current Period To-date Ended 30 June 2021 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2020 Unaudited RM'000
<b>Net profit/(loss) for the financial period</b>	<b>(2,109)</b>	<b>(34,404)</b>	<b>9,957</b>	<b>(80,607)</b>
<b>Other comprehensive income/(expense), net of tax:</b>				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	4,537	366	1,985	10,916
Share of other comprehensive (expense)/income of an associate, net of tax	(3)	(19)	116	322
	4,534	347	2,101	11,238
<b>Total comprehensive income/(expense) for the financial period</b>	<b>2,425</b>	<b>(34,057)</b>	<b>12,058</b>	<b>(69,369)</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
- Owners of the Company	6,419	(29,038)	12,651	(62,787)
- Non-controlling interests	(3,994)	(5,019)	(593)	(6,582)
	<b>2,425</b>	<b>(34,057)</b>	<b>12,058</b>	<b>(69,369)</b>

(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 2020)

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 Financial Period Ended : 30 June 2021  
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**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 30 June 2021 Unaudited RM'000	As at 31 December 2020 Audited RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	440,232	423,825
Right-of-use assets	233,862	242,904
Investment properties	9,256	9,324
Goodwill and other intangible assets	145,752	142,336
Deferred tax assets	34,114	35,364
Investment in associates	252,195	231,133
Investment in joint ventures	81,697	81,083
Amounts owing by joint ventures	28,278	26,240
Contract assets	51,649	74,242
Investment in equity instruments	4	5
	1,277,039	1,266,456
<b>Current Assets</b>		
Inventories	172,878	195,665
Contract assets	203,960	149,441
Trade and other receivables	349,652	359,553
Amounts owing by associates	21,987	17,480
Amounts owing by joint ventures	179	186
Finance lease receivables	-	5,397
Tax recoverable	6,653	4,879
Derivative financial assets	15	2,256
Time deposits	63,360	83,883
Cash and bank balances	136,733	155,647
	955,417	974,387
Assets classified as held for sale	17,389	26,979
<b>TOTAL ASSETS</b>	2,249,845	2,267,822
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves Attributable to Owners of the Company</b>		
Share capital	547,690	547,690
Treasury shares	(624)	(624)
Exchange translation reserves	16,409	14,296
Retained profits	152,901	142,363
<b>Equity attributable to owners of the Company</b>	716,376	703,725
Non-controlling interests	49,344	49,838
<b>TOTAL EQUITY</b>	765,720	753,563

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**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)**

	As at 30 June 2021 Unaudited RM'000	As at 31 December 2020 Audited RM'000
<b>LIABILITIES</b>		
<b>Non-Current and Deferred Liabilities</b>		
Deferred tax liabilities	10,614	9,746
Lease liabilities	191,868	197,728
Trade and other payables	25,517	26,789
Loans and borrowings	118,096	103,106
	<u>346,095</u>	<u>337,369</u>
<b>Current Liabilities</b>		
Lease liabilities	12,908	12,657
Contract liabilities	91,687	70,645
Trade and other payables	285,552	246,245
Provision for warranties	9,686	9,844
Amounts owing to associates	-	1,560
Amounts owing to joint ventures	3,032	5,139
Loans and borrowings	680,597	774,950
Dividend payable	19,786	22,109
Current tax liabilities	34,348	33,642
Derivative financial liabilities	434	99
	<u>1,138,030</u>	<u>1,176,890</u>
<b>TOTAL LIABILITIES</b>	<u>1,484,125</u>	<u>1,514,259</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,249,845</u>	<u>2,267,822</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)

Company name : WAH SEONG CORPORATION BERHAD (Registration No.: 199901020946 (495846-A))  
 Stock name : WASEONG  
 Financial Period Ended : 30 June 2021  
 Quarter : 2

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

These figures have not been audited

	----- Attributable to owners of the Company -----					Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Exchange translation reserves RM'000	Retained profits RM'000	Total RM'000		
<b>At 1 January 2021</b>	547,690	(624)	14,296	142,363	703,725	49,838	753,563
Net profit/(loss) for the financial period	-	-	-	10,538	10,538	(581)	9,957
Other comprehensive income/(expense) for the financial period	-	-	2,113	-	2,113	(12)	2,101
Total comprehensive income/(expense) for the financial period	-	-	2,113	10,538	12,651	(593)	12,058
Incorporation of a subsidiary	-	-	-	-	-	99	99
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	99	99
<b>At 30 June 2021</b>	<b>547,690</b>	<b>(624)</b>	<b>16,409</b>	<b>152,901</b>	<b>716,376</b>	<b>49,344</b>	<b>765,720</b>

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**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

These figures have not been audited

	----- Attributable to owners of the Company -----					Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Exchange translation reserves RM'000	Retained profits RM'000	Total RM'000		
<b>At 1 January 2020</b>	547,690	(4,779)	(4,595)	441,630	979,946	61,252	1,041,198
Net loss for the financial period	-	-	-	(74,062)	(74,062)	(6,545)	(80,607)
Other comprehensive income/(expense) for the financial period	-	-	11,275	-	11,275	(37)	11,238
Total comprehensive income/(expense) for the financial period	-	-	11,275	(74,062)	(62,787)	(6,582)	(69,369)
Cash dividends payable to owners of the Company	-	-	-	(3,082)	(3,082)	-	(3,082)
Share dividends distributable to owners of the Company	-	4,155	-	(4,155)	-	-	-
Total contributions by and distribution to owners	-	4,155	-	(7,237)	(3,082)	-	(3,082)
<b>At 30 June 2020</b>	<b>547,690</b>	<b>(624)</b>	<b>6,680</b>	<b>360,331</b>	<b>914,077</b>	<b>54,670</b>	<b>968,747</b>

(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 2020)

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**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Period To-date Ended 30 June 2021 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2020 Unaudited RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	17,420	(73,768)
Adjustments for non-operating items:		
Depreciation and amortisation	29,533	55,873
Other non-cash items	(18,652)	8,899
Interest expense	16,973	24,466
Interest income	(1,697)	(2,163)
Operating profit before changes in working capital	43,577	13,307
Changes in working capital:		
Net changes in current assets	9,183	82,061
Net changes in current liabilities	56,877	(13,630)
Cash generated from operations	109,637	81,738
Interest received	1,697	2,163
Interest paid	(16,973)	(24,466)
Tax paid	(6,756)	(3,744)
<b>Net cash generated from operating activities</b>	<b>87,605</b>	<b>55,691</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(32,400)	(13,023)
Purchase of investment properties	(44)	(106)
Additional investment in an associate	(13,500)	-
Proceeds from disposal of property, plant and equipment	1,094	52,532
Proceeds from disposal of assets held for sale	21,562	-
Proceeds from disposal of investment properties	-	14,105
Transfer from deposits and short term investment	23,362	22,669
Dividends received from an associate	3,462	1,731
Net amount (to)/from associates	(757)	67
Net amount to joint ventures	-	(1,214)
<b>Net cash generated from investing activities</b>	<b>2,779</b>	<b>76,761</b>
<b>Cash flows from financing activities</b>		
Drawdown of other bank borrowings	250,476	200,474
Repayments of other bank borrowings	(308,348)	(171,161)
Drawdown of term loans	11,978	3,792
Repayment of term loans	(52,376)	(33,566)
Principal elements of lease payments	(8,738)	(7,036)
Dividend paid to non-controlling interests	(2,500)	(3,082)
<b>Net cash used in financing activities</b>	<b>(109,508)</b>	<b>(10,579)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(19,124)</b>	<b>121,873</b>
<b>Currency translation differences</b>	<b>3,049</b>	<b>3,747</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>215,526</b>	<b>124,172</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>199,451</b>	<b>249,792</b>

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**Quarter** : 2

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

	Current Period To-date Ended 30 June 2021 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2020 Unaudited RM'000
<b>Cash and cash equivalents at the end of the financial period comprise of the following:</b>		
Time deposits	63,360	64,082
Cash and bank balances	136,733	186,333
Subtotal	200,093	250,415
Less:		
Short term investments	(642)	(623)
	<u>199,451</u>	<u>249,792</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)



**Company name** : **WAH SEONG CORPORATION BERHAD**  
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**Financial Period Ended** : **30 June 2021**  
**Quarter** : **2**

## 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 2020. 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 2020.

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 2020.

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

#### Effective from financial year beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018–2020
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

#### Effective from financial year beginning on or after 1 January 2023

Amendments to MFRS 101	<ul style="list-style-type: none"> <li>Classifications of Liabilities as Current or Non-current</li> <li>Disclosure of Accounting Policies</li> </ul>
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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**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 elsewhere 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 second quarter of 2021, the Company did not purchase any of its issued ordinary shares from the open market (period to-date: Nil). The Company held a total of 577,054 treasury shares as at 30 June 2021.

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 ended 30 June 2021.

**7. Dividends**

The Directors did not declare any dividend in the current financial period.

During the last year corresponding period, on 18 February 2020, the Directors declared a first interim dividend of 1.00 sen per share in respect of financial year ended 31 December 2020 comprising:-

- a) Single tier cash dividend of 0.40 sen per share amounting to RM3,081,845; and
- b) Single tier share dividend of 3,849,884 treasury shares distributed to the shareholders of Wah Seong Corporation Berhad ("WSC") on the basis of one (1) WSC treasury share for every two hundred (200) existing WSC ordinary shares held at the entitlement date on 12 March 2020.

The first interim dividend was paid/credited into the entitled shareholders' securities accounts on 8 April 2020.

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## 8. Segment information

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
RESULTS					
<u>Financial period ended 30 June 2021</u>					
Revenue	312,897	139,387	147,593	71,933	671,810
Less: Inter segment revenue	(1,292)	-	-	(221)	(1,513)
External revenue	311,605	139,387	147,593	71,712	670,297
Segment profits	14,520	13,419	3,321	(5,350)	25,910
Share of results of associates	3,520	-	253	(2)	3,771
Share of results of joint ventures	2,273	351	-	(1,446)	1,178
	20,313	13,770	3,574	(6,798)	30,859
Unallocated expenses relating to financing activities					(5,937)
Unallocated corporate expenses					(7,502)
Profit before tax					17,420
TOTAL ASSETS					
<u>As at 30 June 2021</u>					
Segment assets	1,165,389	401,710	122,689	113,933	1,803,721
Investment in associates	223,560	-	28,635	-	252,195
Investment in joint ventures	65,839	6,757	-	9,101	81,697
Assets classified as held for sale	-	-	17,389	-	17,389
	1,454,788	408,467	168,713	123,034	2,155,002
Unallocated corporate assets					
- Deferred tax assets					34,114
- Tax recoverable					6,653
- Cash and cash equivalents					28,563
- Short term investment					642
- Others					24,871
Total assets					2,249,845

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**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					
<u>Financial period ended 30 June 2021</u>					
Depreciation of:					
- Property, plant and equipment	15,561	2,585	544	836	19,526
- Investment properties	-	-	1	110	111
- Right-of-use assets	8,450	-	698	748	9,896
Additions of:					
- Property, plant and equipment	29,920	563	806	1,111	32,400
Impairment loss/(reversal) on:					
- Receivables	376	(750)	(1,398)	-	(1,772)
- Amount owing by an associate	-	-	-	768	768
Reversal of allowance on slow moving and obsolete inventories	(68)	(526)	(27)	-	(621)
Write-off/(reversal) on:					
- Property, plant and equipment	17	-	4	-	21
- Inventories	217	-	6	-	223
- Receivables	(172)	-	-	-	(172)
Interest income	(1,094)	(230)	(330)	(43)	(1,697)
Interest expense					
- Loans and borrowings	2,559	2,347	877	135	5,918
- Lease liabilities	4,947	-	65	106	5,118
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**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					
<u>Financial period ended 30 June 2021</u>					
Revenue comprise of:					
- Revenue from contracts with customers	302,488	139,387	147,302	71,699	660,876
- Revenue from other sources	9,117	-	291	13	9,421
	<u>311,605</u>	<u>139,387</u>	<u>147,593</u>	<u>71,712</u>	<u>670,297</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	203,775	86,075	-	51,747	341,597
- At a point in time	98,713	53,312	147,302	19,952	319,279
	<u>302,488</u>	<u>139,387</u>	<u>147,302</u>	<u>71,699</u>	<u>660,876</u>

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**8. Segment information (continued)**

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
RESULTS					
<u>Financial period ended 30 June 2020</u>					
Revenue	195,768	160,167	123,821	91,645	571,401
Less: Inter segment revenue	(1,212)	-	-	(334)	(1,546)
External revenue	194,556	160,167	123,821	91,311	569,855
Segment (loss)/profit	(49,074)	7,366	(3,966)	2,403	(43,271)
Share of results of associates	(786)	-	-	(2)	(788)
Share of results of joint ventures	(12,652)	268	-	44	(12,340)
	(62,512)	7,634	(3,966)	2,445	(56,399)
Unallocated expenses relating to financing activities					(8,484)
Unallocated corporate expenses					(8,885)
Loss before tax					(73,768)
TOTAL ASSETS					
<u>As at 30 June 2020</u>					
Segment assets	1,460,536	454,803	219,540	71,777	2,206,656
Investment in associates	210,214	-	220	-	210,434
Investment in joint ventures	79,680	5,563	-	17,865	103,108
	1,750,430	460,366	219,760	89,642	2,520,198
Unallocated corporate assets					
- Deferred tax assets					53,425
- Tax recoverable					3,420
- Cash and cash equivalents					15,967
- Short term investment					623
- Others					31,028
Total assets					2,624,661

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**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					
<u>Financial period ended 30 June 2020</u>					
Depreciation of:					
- Property, plant and equipment	39,659	2,532	1,174	832	44,197
- Investment properties	-	-	1	50	51
- Right-of-use assets	10,108	-	904	613	11,625
Additions of:					
- Property, plant and equipment	6,075	4,606	1,595	747	13,023
Impairment loss/(reversal) on:					
- Receivables	-	(19)	3,740	-	3,721
- Amount owing by a joint venture	5,527	-	-	-	5,527
Allowance/(Reversal) on slow moving and obsolete inventories	(500)	531	62	-	93
Write-off on:					
- Receivables	56	-	50	-	121
- Inventories	462	-	3	-	465
- Property, plant and equipment	223	-	-	1	224
Interest income	(1,289)	(289)	(526)	(59)	(2,163)
Interest expense					
- Loans and borrowings	4,903	3,928	1,204	240	10,275
- Lease liabilities	5,541	-	88	78	5,707
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**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					
<u>Financial period ended 30 June 2020</u>					
Revenue comprise of:					
- Revenue from contracts with customers	184,326	160,167	122,952	90,940	558,385
- Revenue from other sources	10,230	-	869	371	11,470
	<u>194,556</u>	<u>160,167</u>	<u>123,821</u>	<u>91,311</u>	<u>569,855</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	120,686	98,906	-	76,354	295,946
- At a point in time	63,640	61,261	122,952	14,586	262,439
	<u>184,326</u>	<u>160,167</u>	<u>122,952</u>	<u>90,940</u>	<u>558,385</u>



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**9. Events after the reporting period**

There were no material events subsequent to the financial period ended 30 June 2021.

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

There were no changes in the composition of the Group during the current quarter and financial period ended 30 June 2021.

**11. Significant events during the reporting period**

There were no significant events during the current quarter and financial period ended 30 June 2021.

**12. Status of corporate proposals**

There were no corporate proposals announced but not completed as at the reporting date.

**13. Capital commitments**

Capital commitments not provided for in the interim report:

	<b>As at</b>
	<b>30 June</b>
	<b>2021</b>
	<b>RM'000</b>
Approved and contracted for	<u>27,479</u>

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**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 period ended 30 June 2021**

Oil & Gas Segment

The Oil & Gas Segment's external revenue for the second quarter and financial period ended 30 June 2021 were RM164.1 million and RM311.6 million respectively, compared with RM78.1 million and RM194.6 million in the corresponding periods in 2020. The segment registered a profit before tax of RM7.9 million and RM20.3 million respectively, compared with loss before tax of RM29.9 million and RM62.5 million in the corresponding periods in 2020.

A strong order book in hand has allowed the segment to continue executing projects that has contributed to the increase in revenue and directly resulted in the increase in profits during the periods under review.

Renewable Energy Segment

The Renewable Energy Segment's external revenue for the second quarter and financial period ended 30 June 2021 were RM65.4 million and RM139.4 million respectively, compared with RM83.9 million and RM160.2 million in the corresponding periods in 2020. The profit before tax were RM7.1 million and RM13.8 million respectively, compared with RM5.8 million and RM7.6 million in the corresponding periods in 2020.

Lower revenue in the current periods were mainly due to lower level of activities in the process equipment fabrication and boiler businesses.

The better profit before tax in the current periods were due to positive contribution from the boiler business and other units within Renewable Energy Segment.

Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the second quarter and financial period ended 30 June 2021 were RM65.4 million and RM147.6 million respectively, compared with RM44.6 million and RM123.8 million in the corresponding periods in 2020. The segment recorded a profit before tax of RM0.9 million and RM3.6 million respectively, compared with loss before tax of RM5.0 million and RM4.0 million in the corresponding periods in 2020.

Higher revenue in the current periods were mainly due to better market conditions. The higher profit before tax was the result of increased business activities and improved profit margins.

**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 RM4.4 million in the current quarter, compared with a profit before taxation of RM13.0 million in the previous quarter. The lower profit in the current quarter was mainly the result of product mix, where the revenue generating activities carried out had a lower margin. This were further affected by a lower level of activity in the Industrial Trading & Services segment due to Movement Control Order 3.0 in Malaysia.

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## 16. Prospects

The Group's current order book of RM1.4 billion comprises RM1.1 billion in the Oil & Gas segment, RM233.6 million in the Renewable Energy segment and RM59.8 million in the Industrial Trading & Services segment. This is an increase on the previously reported order book as a result of some important wins in the Oil & Gas segment. However, the global pandemic situation is challenging the execution capabilities of the Group due to many restriction imposed by the various governments. This will have some impact on the Group in the current financial year.

## 17. Profit/(Loss) before tax

	Current Quarter Ended 30 June 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2020 RM'000	Current Period To- date Ended 30 June 2021 RM'000	Preceding Corresponding Period To-date Ended 30 June 2020 RM'000
Profit/(Loss) before tax is stated after charging/(crediting) the following items:				
Interest income	(524)	(984)	(1,697)	(2,163)
Depreciation and amortisation	14,857	27,297	29,533	55,873
Impairment loss/ (reversal) on receivables - net	(892)	3,066	(1,772)	3,721
Impairment loss on amount owing by an associate - net	768	-	768	-
Impairment loss/ (reversal) on amount owing by a joint venture - net	-	(2,660)	-	5,527
Allowance/(Reversal) on slowing moving and obsolete inventories - net	(598)	593	(621)	93
Write-off on property, plant and equipment	3	224	21	224
Write-off on inventories	200	(97)	223	465
Net foreign exchange loss/(gain)	984	(6,368)	(7,113)	(5,555)
Gain on disposal of property, plant and equipment	(264)	(5,664)	(549)	(7,618)
Gain on disposal of assets held for sale	(10,999)	-	(10,999)	-

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.

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## 18. Taxation

Taxation comprises the following:

	Current Quarter Ended 30 June 2021 RM'000	Period To-date Ended 30 June 2021 RM'000
Tax expense		
- Malaysian tax	5,244	5,714
- Foreign tax	1,257	1,749
	<u>6,501</u>	<u>7,463</u>

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

	Current Quarter Ended 30 June 2021 RM'000	Period To-date Ended 30 June 2021 RM'000
Profit before tax	<u>4,392</u>	<u>17,420</u>
Tax expense at the statutory tax rate – 24%	1,054	4,181
Other tax adjustments	4,438	2,617
Underprovision in prior financial year	1,009	665
	<u>5,447</u>	<u>3,282</u>
Taxation	<u>6,501</u>	<u>7,463</u>

## 19. Profit forecast

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

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## 20. Group's borrowings and debt securities

	<b>As at 30 June 2021 RM'000</b>
<b><u>Unsecured</u></b>	
<b>Short term borrowings</b>	
Revolving credits	488,356
Term loans	84,999
Trade financing	87,612
Fixed rate notes	19,630
	<u>680,597</u>
<b>Long term borrowings</b>	
Term loans	118,096
<b>Total borrowings</b>	<u>798,693</u>

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

United States Dollar	559,651
Ringgit Malaysia	192,212
Euro Dollar	24,228
Australian Dollar	20,644
Singapore Dollar	1,958
	<u>798,693</u>

## 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 period ended 30 June 2021 are as follows:

	<b>Current Quarter Ended 30 June 2021 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 30 June 2020 RM'000</b>	<b>Current Period To-date Ended 30 June 2021 RM'000</b>	<b>Preceding Corresponding Period To-date Ended 30 June 2020 RM'000</b>
Balance as at				
- 1 January	-	-	2,162	(753)
- 1 April	(363)	(531)	-	-
Fair value (loss)/gain recognised in profit or loss	(64)	1,232	(2,601)	1,509
Effect of changes in exchange rate	12	70	24	15
Balance as at 30 June	<u>(415)</u>	<u>771</u>	<u>(415)</u>	<u>771</u>

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## 21. Fair value of financial instruments (continued)

	As at 30 June 2021 RM'000	As at 30 June 2020 RM'000
Represented by:		
Investment in equity instruments carried at fair value	4	4
Derivative financial assets	15	2,140
Derivative financial liabilities	(434)	(1,373)
	<u>(415)</u>	<u>771</u>

### Fair value hierarchy

The table below summarises all financial instruments carried at fair value as at end of the financial period, 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).

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>30 June 2021</u>				
<u>Financial assets</u>				
Investment in equity instruments	4	-	-	4
Derivative financial assets	-	15	-	15
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(434)	-	(434)

### 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 period.

## 22. Material litigation

There were no material litigations pending as at this reporting date.

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## 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 30 June 2021	Preceding Year Corresponding Quarter Ended 30 June 2020	Current Period To-date Ended 30 June 2021	Preceding Corresponding Period To-date Ended 30 June 2020
Net profit/(loss) attributable to the owners of the Company (RM'000)	1,966	(29,636)	10,538	(74,062)
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares '000))	774,311	774,015	774,311	772,238
Basic/diluted earnings per share (sen)	0.25	(3.83)	1.36	(9.59)

## 24. Contingent liabilities

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

## 25. Authorisation for issue

This Quarterly Report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' Meeting held on 26 August 2021.