

Company name : WAH SEONG CORPORATION BERHAD
 (Registration No.: 199901020946 (495846-A))
 Stock name : WASEONG
 Financial Period Ended : 31 March 2023
 Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 March 2023 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 March 2022 Unaudited RM'000	Current Period To-date Ended 31 March 2023 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2022 Unaudited RM'000
Gross revenue	639,674	458,833	639,674	458,833
Cost of sales	(537,374)	(396,177)	(537,374)	(396,177)
Gross profit	102,300	62,656	102,300	62,656
Other operating income	18,726	13,930	18,726	13,930
Selling and distribution expenses	(7,676)	(8,322)	(7,676)	(8,322)
Administrative and general expenses	(49,155)	(37,078)	(49,155)	(37,078)
Impairment loss on non-financial assets	(19)	(2,832)	(19)	(2,832)
Reversal of impairment loss on financial assets	1,667	1,011	1,667	1,011
Other gain/(losses) - net	1,074	(75)	1,074	(75)
Profit from operations	66,917	29,290	66,917	29,290
Finance costs	(14,740)	(8,681)	(14,740)	(8,681)
Share of results of associates	530	(8,689)	530	(8,689)
Share of results joint ventures	(2,685)	(2,541)	(2,685)	(2,541)
Profit before tax	50,022	9,379	50,022	9,379
Tax expense	(12,800)	(3,274)	(12,800)	(3,274)
Net profit for the financial period	37,222	6,105	37,222	6,105
Net profit attributable to:				
- Owners of the Company	21,761	4,935	21,761	4,935
- Non-controlling interests	15,461	1,170	15,461	1,170
	37,222	6,105	37,222	6,105
Earnings per share				
- Basic earnings per share (sen)	2.81	0.64	2.81	0.64
- Diluted earnings per share (sen)	2.81	0.64	2.81	0.64

(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 2022)

Company name : WAH SEONG CORPORATION BERHAD
 (Registration No.: 199901020946 (495846-A))
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Financial Period Ended : 31 March 2023
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Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 March 2023 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 March 2022 Unaudited RM'000	Current Period To-date Ended 31 March 2023 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2022 Unaudited RM'000
Net profit for the financial period	37,222	6,105	37,222	6,105
Other comprehensive expense, net of tax:				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	(6,538)	(1,100)	(6,538)	(1,100)
	(6,538)	(1,100)	(6,538)	(1,100)
Total comprehensive income for the financial period	30,684	5,005	30,684	5,005
Total comprehensive income attributable to:				
- Owners of the Company	15,065	4,004	15,065	4,004
- Non-controlling interests	15,619	1,001	15,619	1,001
	30,684	5,005	30,684	5,005

(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 2022)

Company name : WAH SEONG CORPORATION BERHAD
 (Registration No.: 199901020946 (495846-A))
 Stock name : WASEONG
 Financial Period Ended : 31 March 2023
 Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March 2023 Unaudited RM'000	As at 31 December 2022 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	468,765	473,336
Right-of-use assets	293,879	299,903
Investment properties	8,972	9,046
Goodwill and other intangible assets	153,403	153,132
Deferred tax assets	48,677	50,117
Investment in associates	102,158	101,818
Investment in joint ventures	30,357	32,700
Trade and other receivables	3,489	3,451
Amounts owing by joint ventures	29,685	31,606
Contract assets	14,297	14,266
	<u>1,153,682</u>	<u>1,169,375</u>
Current Assets		
Inventories	221,768	223,395
Contract assets	414,799	381,548
Trade and other receivables	556,594	558,291
Amounts owing by associates	162	124
Amounts owing by joint ventures	190	205
Tax recoverable	15,015	10,590
Derivative financial assets	311	82
Time deposits	59,144	53,081
Cash and bank balances	298,584	275,929
	<u>1,566,567</u>	<u>1,503,245</u>
Assets classified as held for sale	-	16,171
Assets of disposal group classified as held for sale	24,774	24,659
	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>2,745,023</u>	<u>2,713,450</u>
EQUITY AND LIABILITIES		
Capital and Reserves Attributable to Owners of the Company		
Share capital	547,690	547,690
Treasury shares	(624)	(624)
Exchange translation reserves	1,650	8,346
Retained profits	46,343	24,582
Equity attributable to owners of the Company	<u>595,059</u>	<u>579,994</u>
Non-controlling interests	114,533	98,914
	<u>-</u>	<u>-</u>
TOTAL EQUITY	<u>709,592</u>	<u>678,908</u>

Company name : WAH SEONG CORPORATION BERHAD
 (Registration No.: 199901020946 (495846-A))
Stock name : WASEONG
Financial Period Ended : 31 March 2023
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	As at 31 December 2023 Unaudited RM'000	As at 31 December 2022 Audited RM'000
LIABILITIES		
Non-Current and Deferred Liabilities		
Deferred tax liabilities	7,844	8,267
Lease liabilities	215,392	215,160
Trade and other payables	29,861	29,192
Loans and borrowings	75,561	81,885
	<u>328,658</u>	<u>334,504</u>
Current Liabilities		
Lease liabilities	18,125	21,447
Contract liabilities	318,712	314,049
Trade and other payables	569,359	533,671
Provision for warranties	24,490	22,687
Amounts owing to joint ventures	3,732	3,493
Loans and borrowings	671,249	708,081
Dividend payable	9,450	10,200
Current tax liabilities	70,870	64,824
Derivative financial liabilities	1,739	2,627
	<u>1,687,726</u>	<u>1,681,079</u>
Liabilities of disposal group classified as held for sale	19,047	18,959
	<u>2,035,431</u>	<u>2,034,542</u>
TOTAL LIABILITIES		
	<u>2,035,431</u>	<u>2,034,542</u>
TOTAL EQUITY AND LIABILITIES	<u>2,745,023</u>	<u>2,713,450</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 2022)

Company name : WAH SEONG CORPORATION BERHAD (Registration No.: 199901020946 (495846-A))
 Stock name : WASEONG
 Financial Period Ended : 31 March 2023
 Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have not been audited

	----- Attributable to owners of the Company -----						
	Share capital RM'000	Treasury shares RM'000	Exchange translation reserves RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2023	547,690	(624)	8,346	24,582	579,994	98,914	678,908
Net profit for the financial period	-	-	-	21,761	21,761	15,461	37,222
Other comprehensive (expense)/income for the financial period	-	-	(6,696)	-	(6,696)	158	(6,538)
Total comprehensive (expense)/income for the financial period	-	-	(6,696)	21,761	15,065	15,619	30,684
At 31 March 2023	547,690	(624)	1,650	46,343	595,059	114,533	709,592

Company name : WAH SEONG CORPORATION BERHAD (Registration No.: 199901020946 (495846-A))
 Stock name : WASEONG
 Financial Period Ended : 31 March 2023
 Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

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		
At 1 January 2022	547,690	(624)	10,555	30,882	588,503	49,658	638,161
Net profit for the financial period	-	-	-	4,935	4,935	1,170	6,105
Other comprehensive expense for the financial period	-	-	(931)	-	(931)	(169)	(1,100)
Total comprehensive (expense)/income for the financial period	-	-	(931)	4,935	4,004	1,001	5,005
Acquisition of a subsidiary	-	-	-	-	-	62	62
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	62	62
At 31 March 2022	547,690	(624)	9,624	35,817	592,507	50,721	643,228

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Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period To-date Ended 31 March 2023 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2022 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	50,022	9,379
Adjustments for non-operating items:		
Depreciation and amortisation	17,578	17,549
Other non-cash items	(4,100)	10,958
Interest expense	14,740	8,681
Interest income	(1,653)	(730)
Operating profit before changes in working capital	76,587	45,837
Changes in working capital:		
Net changes in current assets	(20,020)	(96,272)
Net changes in current liabilities	22,864	140,284
Cash generated from operations	79,431	89,849
Interest received	1,653	730
Interest paid	(14,778)	(8,681)
Tax paid	(8,905)	(5,356)
Net cash generated from operating activities	57,401	76,542
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,545)	(36,490)
Proceeds from disposal of property, plant and equipment	9	338
Proceeds from disposal of assets held for sale	24,419	-
Proceeds from disposal of an associate	-	30,800
Dividends received from associates	190	86
Net amount from joint venture	59	-
Net cash generated from/(used in) investing activities	18,132	(5,266)
Cash flows from financing activities		
Drawdown of other bank borrowings	243,756	150,465
Repayment of other bank borrowings	(281,336)	(131,089)
Repayment of term loans	(6,374)	(22,000)
Principal elements of lease payments	(3,971)	(3,914)
Dividend paid to non-controlling interests	(750)	(1,000)
Net cash used in financing activities	(48,675)	(7,538)
Net changes in cash and cash equivalents	26,858	63,738
Currency translation differences	1,752	812
Cash and cash equivalents at beginning of the financial period	305,495	218,153
Cash and cash equivalents at end of the financial period	334,105	282,703

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Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Period To-date Ended 31 March 2023 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2022 Unaudited RM'000
Cash and cash equivalents at the end of the financial period comprise of the following:		
Time deposits	59,144	103,192
Cash and bank balances	298,584	203,552
Subtotal	357,728	306,744
Less:		
Short term investments	-	(653)
Time deposits with maturity more than 3 months	(23,623)	(23,388)
	334,105	282,703

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)

Company name : WAH SEONG CORPORATION BERHAD
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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 2022. 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 2022.

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 2022.

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 2023

Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective from financial year beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

2. Qualification of financial statements

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

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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 first quarter of 2023, 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 31 March 2023.

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 31 March 2023.

7. Dividends

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

Company name : WAH SEONG CORPORATION BERHAD (Registration No.: 199901020946 (495846-A))
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8. Segment information

	Energy Solutions Services RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
RESULTS					
<u>Financial period ended 31 March 2023</u>					
Revenue	373,332	109,672	113,203	44,226	640,433
Less: Inter segment revenue	(654)	-	-	(105)	(759)
External revenue	372,678	109,672	113,203	44,121	639,674
Segment profit	29,516	11,517	10,215	7,782	59,030
Share of results of associates	531	-	(1)	-	530
Share of results of joint ventures	(2,038)	123	-	(770)	(2,685)
	28,009	11,640	10,214	7,012	56,875
Unallocated expenses relating to financing activities					(4,270)
Unallocated corporate expenses					(2,583)
Profit before tax					50,022
TOTAL ASSETS					
<u>As at 31 March 2023</u>					
Segment assets	1,801,621	473,078	137,444	72,847	2,484,990
Investment in associates	102,051	-	107	-	102,158
Investment in joint ventures	25,138	4,013	-	1,206	30,357
Assets of disposal group classified as held for sale	24,774	-	-	-	24,774
	1,953,584	477,091	137,551	74,053	2,642,279
Unallocated corporate assets					48,677
- Deferred tax assets					15,015
- Tax recoverable					14,671
- Cash and cash equivalents					24,381
- Others					
					2,745,023

Company name : WAH SEONG CORPORATION BERHAD (Registration No.: 199901020946 (495846-A))
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8. Segment information (continued)

	Energy Solutions Services RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2023</u>					
Depreciation of:					
- Property, plant and equipment	9,255	1,294	106	426	11,081
- Investment properties	-	-	-	55	55
- Right-of-use assets	5,925	17	255	245	6,442
Additions of:					
- Property, plant and equipment	4,312	1,327	10	896	6,545
Impairment loss/(reversal) on:					
- Investment properties	-	-	19	-	19
- Receivables	(1,816)	1	148	-	(1,667)
Allowance/(Reversal) on slow moving and obsolete inventories	1,231	(64)	43	-	1,210
Write-off on:					
- Inventories	-	95	8	-	103
Interest income	(781)	(185)	(656)	(31)	(1,653)
Interest expense					
- Loans and borrowings	4,861	1,535	987	168	7,551
- Lease liabilities	2,881	-	17	27	2,925
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Company name : WAH SEONG CORPORATION BERHAD (Registration No.: 199901020946 (495846-A))
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 Financial Period Ended : 31 March 2023
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8. Segment information (continued)

Energy Solutions Services RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
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OTHER INFORMATION

Financial period ended 31 March 2023

Revenue comprise of:

- Revenue from contracts with customers	372,002	109,672	113,074	44,114	638,862
- Revenue from other sources	676	-	129	7	812
	<u>372,678</u>	<u>109,672</u>	<u>113,203</u>	<u>44,121</u>	<u>639,674</u>

Revenue from contracts with customers is represented by:

Timing of revenue recognition

- Over time	317,978	86,888	-	40,662	445,528
- At a point in time	54,024	22,784	113,074	3,452	193,334
	<u>372,002</u>	<u>109,672</u>	<u>113,074</u>	<u>44,114</u>	<u>638,862</u>

Company name : WAH SEONG CORPORATION BERHAD (Registration No.: 199901020946 (495846-A))
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8. Segment information (continued)

	Energy Solutions Services RM'000	Industrial Renewable Energy RM'000	Trading & Services RM'000	Others RM'000	Total RM'000
RESULTS					
<u>Financial period ended 31 March 2022</u>					
Revenue	266,926	89,981	81,270	21,326	459,503
Less: Inter segment revenue	(564)	-	-	(106)	(670)
External revenue	266,362	89,981	81,270	21,220	458,833
Segment profit/(loss)	13,759	8,926	4,443	(800)	26,328
Share of results of associates	(8,528)	-	(160)	(1)	(8,689)
Share of results of joint ventures	(2,226)	134	-	(449)	(2,541)
	3,005	9,060	4,283	(1,250)	15,098
Unallocated expenses relating to financing activities					(2,909)
Unallocated corporate expenses					(2,810)
Profit before tax					9,379
TOTAL ASSETS					
<u>As at 31 March 2022</u>					
Segment assets	1,413,177	408,248	151,792	75,303	2,048,520
Investment in associates	144,256	-	108	-	144,364
Investment in joint ventures	38,791	7,007	-	3,389	49,187
Assets classified as held for sale	39,798	-	5,408	-	45,206
	1,636,022	415,255	157,308	78,692	2,287,277
Unallocated corporate assets					
- Deferred tax assets					36,736
- Tax recoverable					6,468
- Cash and cash equivalents					20,815
- Short term investment					653
- Others					24,648
Total assets					2,376,597

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8. Segment information (continued)

	Energy Solutions Services RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2022</u>					
Depreciation of:					
- Property, plant and equipment	8,294	1,225	199	380	10,098
- Investment properties	-	-	1	55	56
- Right-of-use assets	6,660	17	315	403	7,395
Additions of:					
- Property, plant and equipment	36,030	286	51	123	36,490
Impairment loss/(reversal) on:					
- Investment in a joint venture	-	-	-	2,832	2,832
- Receivables	-	(225)	(786)	-	(1,011)
(Reversal)/Allowance on slow moving and obsolete inventories	(18)	-	123	-	105
Write-off on:					
- Property, plant and equipment	7	-	15	-	22
- Inventories	-	-	3	-	3
- Receivables	23	-	-	-	23
Interest income	275	209	234	12	730
Interest expense					
- Loans and borrowings	1,332	1,114	419	40	2,905
- Lease liabilities	2,806	-	25	36	2,867

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8. Segment information (continued)

	Energy Solutions Services RM'000	Industrial Renewable Energy RM'000	Trading & Services RM'000	Others RM'000	Total RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2022</u>					
Revenue comprise of:					
- Revenue from contracts with customers	263,945	89,981	80,827	21,210	455,963
- Revenue from other sources	2,417	-	443	10	2,870
	<u>266,362</u>	<u>89,981</u>	<u>81,270</u>	<u>21,220</u>	<u>458,833</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	249,935	58,502	-	16,229	324,666
- At a point in time	14,010	31,479	80,827	4,981	131,297
	<u>263,945</u>	<u>89,981</u>	<u>80,827</u>	<u>21,210</u>	<u>455,963</u>

Company name : **WAH SEONG CORPORATION BERHAD**
(Registration No.: 199901020946 (495846-A))
Stock name : **WASEONG**
Financial Period Ended : **31 March 2023**
Quarter : **1**

9. Events after the reporting period

There were no material events subsequent to the financial period ended 31 March 2023, except for the following:

DISPOSAL OF 91% EQUITY INTEREST IN WASCO INFRA SERVICES SDN. BHD. TO SAROYA OFFSHORE RESOURCES SDN. BHD. BY WASCO COATINGS LIMITED, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Company's indirect wholly-owned subsidiary namely Wasco Coatings Limited (Company No. 798147) ("WCL"), a company incorporated pursuant to the Hong Kong Companies Ordinance and having its registered office address at 11th Floor, Dah Sing Life Building, 99 Des Voeux Road Central, Hong Kong, had on 1 April 2023 entered into a Share Sale Agreement ("SSA") with Saroya Offshore Resources Sdn. Bhd. [Registration No. 200901013673 (Company No. 856733-V)] ("SORSB"), a company incorporated pursuant to the Malaysian Companies Act, 2016 and having its registered address at 13A-2-2A, 2nd Floor, Jalan Medan PB 2A, Pusat Bandar Bangi, Seksyen 9, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia, for the disposal of 455,000 ordinary shares, equivalent to 91% equity interest in the issued and paid-up share capital of Wasco Infra Services Sdn. Bhd. [Registration No. 201801029306 (1291332-D)] ("WISSB"), a company incorporated pursuant to the Malaysian Companies Act, 2016 and having its registered office address at 59-7, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, for a total cash consideration of RM200,000.00 only, upon the terms and conditions as stipulated in the SSA ("Disposal of WISSB Shares").

With the Disposal of WISSB Shares, WISSB shall cease to be an indirect subsidiary of the Company accordingly.

None of the directors, major shareholders, chief executive of WSC and/or persons connected to them have any interest, direct or indirect, in the Disposal of WISSB Shares.

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 31 March 2023, except the following:

DEREGISTRATION OF WSIPL AUSTRALIA PTY LTD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

On 21 March 2023, the Company announced that WSIPL Australia Pty Ltd, an indirect wholly-owned subsidiary of the Company, had been deregistered on 23 February 2023 pursuant to the regulations of the Australian Securities & Investments Commission. The notice of dissolution from the Australian Securities & Investments Commission was obtained by the Company on 21 March 2023.

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11. Significant events during the reporting period

There were no significant events during the current quarter and financial period ended 31 March 2023.

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:

	As at
	31 March
	2023
	RM'000
Approved and contracted for	<u>29,344</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 31 March 2023

Energy Solutions Services Segment

The Energy Solutions Services Segment's external revenue for the first quarter and financial period ended 31 March 2023 were RM372.7 million, compared with RM266.4 million in the corresponding periods in 2022. The segment registered a profit before tax of RM28.0 million, compared with RM3.0 million in the corresponding period in 2022.

On the back of a strong order book, project executions have increased (and directly contributing) to a higher revenue in the current quarter, with a corresponding increase in profit before tax.

Renewable Energy Segment

The Renewable Energy Segment's external revenue for the first quarter and financial period ended 31 March 2023 were RM109.7 million, compared with RM90.0 million in the corresponding period in 2022. The profit before tax were RM11.6 million, as against RM9.1 million in the corresponding period in 2022.

Higher revenue and profit before taxation of the Renewable Energy Segment were mainly due to higher number of projects executed by the Industrial Engineering unit, and better profit margin from after-sales services recognised by the Agro-based Industrial unit.

Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the first quarter and financial period ended 31 March 2023 were RM113.2 million, compared with RM81.3 million in the corresponding period in 2022. The segment recorded a profit before tax of RM10.2 million, compared with RM4.3 million in the corresponding period in 2022.

Higher revenue and profit before tax compared with the last corresponding quarter in 2022 was due to higher sales volume in building materials and recognition of the gain on disposal of asset held for sales.

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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 RM50.0 million in the current quarter, compared with loss before tax of RM40.6 million in the previous quarter. The increase in operational profit was contributed by an increase in revenue in the current quarter, as the Group continues to execute projects from its existing strong order book.

16. Prospects

The Group's order book has increased to RM3.5 billion comprising, RM3.1 billion in the Energy Solutions Services segment, RM426.0 million in the Renewable Energy segment, and RM54.9 million in the Industrial Trading & Services segment. The strong order book is expected to contribute positive results to the Group in the coming years.

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17. Profit before tax

	Current Quarter Ended 31 March 2023 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2022 RM'000	Current Period To- date Ended 31 March 2023 RM'000	Preceding Corresponding Period To-date Ended 31 March 2022 RM'000
Profit before tax is stated after charging/(crediting) the following items:				
Interest income	(1,653)	(730)	(1,653)	(730)
Depreciation and amortisation	17,578	17,549	17,578	17,549
Reversal of impairment loss on receivables - net	(1,667)	(1,011)	(1,667)	(1,011)
Impairment loss on investment properties	19	-	19	-
Impairment loss on investment in a joint venture	-	2,832	-	2,832
Allowance on slow moving and obsolete inventories - net	1,210	105	1,210	105
Write-off on property, plant and equipment	-	22	-	22
Write-off on inventories	103	3	103	3
Write-off on receivables	-	23	-	23
Net foreign exchange loss/(gain)	2,282	(675)	2,282	(675)
Loss on disposal of property, plant and equipment	13	40	13	40
Gain on disposal of assets held for sale	(8,249)	-	(8,249)	-
Gain on disposal of an associate	-	(2,412)	-	(2,412)

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 31 March 2023 RM'000	Period To-date Ended 31 March 2023 RM'000
Tax expense		
- Malaysian tax	2,645	2,645
- Foreign tax	10,155	10,155
	<u>12,800</u>	<u>12,800</u>

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

	Current Quarter Ended 31 March 2023 RM'000	Period To-date Ended 31 March 2023 RM'000
Profit before tax	<u>50,022</u>	<u>50,022</u>
Tax expense at the statutory tax rate – 24%	12,005	12,005
Other tax adjustments	(742)	(742)
Under provision in prior financial period	1,537	1,537
	<u>795</u>	<u>795</u>
Taxation	<u>12,800</u>	<u>12,800</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

	As at 31 March 2023 RM'000
Unsecured	
Short term borrowings	
Revolving credits	453,279
Term loans	25,562
Trade financing	171,495
Fixed rate notes	20,913
	<hr/> 671,249
Long term borrowings	
Term loans	75,561
Total borrowings	<hr/> 746,810 <hr/>

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

United States Dollar	498,830
Ringgit Malaysia	233,328
Australian Dollar	14,652
	<hr/> 746,810 <hr/>

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 31 March 2023 are as follows:

	Current Quarter Ended 31 March 2023 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2022 RM'000	Current Period To-date Ended 31 March 2023 RM'000	Preceding Corresponding Period To-date Ended 31 March 2022 RM'000
Balance as at - 1 January	(2,545)	(398)	(2,545)	(398)
Fair value gain/(loss) recognised in profit or loss	1,074	(75)	1,074	(75)
Effect of changes in exchange rate	43	(1)	43	(1)
Balance as at 31 March	<hr/> (1,428) <hr/>	<hr/> (474) <hr/>	<hr/> (1,428) <hr/>	<hr/> (474) <hr/>

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21. Fair value of financial instruments (continued)

	As at 31 March 2023 RM'000	As at 31 March 2022 RM'000
Represented by:		
Derivative financial assets	311	126
Derivative financial liabilities	(1,739)	(600)
	(1,428)	(474)

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>31 March 2023</u>				
<u>Financial assets</u>				
Derivative financial assets	-	311	-	311
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(1,739)	-	(1,739)
	-	(1,739)	-	(1,739)

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 31 March 2023	Preceding Year Corresponding Quarter Ended 31 March 2022	Current Period To-date Ended 31 March 2023	Preceding Corresponding Period To-date Ended 31 March 2022
Net profit attributable to the owners of the Company (RM'000)	21,761	4,935	21,761	4,935
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	774,311	774,311	774,311	774,311
Basic/diluted earnings per share (sen)	2.81	0.64	2.81	0.64

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 23 May 2023.