

**Company name** : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)  
 (Registration No.: 199901020946 (495846-A))  
**Stock name** : WASCO  
**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30 June 2023 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 June 2022 Unaudited RM'000	Current Period To-date Ended 30 June 2023 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2022 Unaudited RM'000
Gross revenue	677,133	737,058	1,316,808	1,195,891
Cost of sales	(587,650)	(596,404)	(1,125,024)	(992,580)
<b>Gross profit</b>	<b>89,483</b>	<b>140,654</b>	<b>191,784</b>	<b>203,311</b>
Other operating income	19,838	28,469	38,564	42,398
Selling and distribution expenses	(8,751)	(9,774)	(16,427)	(18,096)
Administrative and general expenses	(53,239)	(59,142)	(102,393)	(96,220)
Impairment loss on non-financial assets	-	-	(19)	(2,832)
Reversal/(impairment loss) on financial assets	2,892	(710)	4,559	301
Other gain/(losses) - net	196	(389)	1,269	(464)
<b>Profit from operations</b>	<b>50,419</b>	<b>99,108</b>	<b>117,337</b>	<b>128,398</b>
Finance costs	(15,229)	(8,780)	(29,969)	(17,461)
Share of results of associates	4,644	336	5,174	(8,354)
Share of results joint ventures	(1,012)	(5,168)	(3,697)	(7,708)
<b>Profit before tax</b>	<b>38,822</b>	<b>85,496</b>	<b>88,845</b>	<b>94,875</b>
Tax expense	(13,654)	(31,166)	(26,454)	(34,440)
<b>Net profit for the financial period</b>	<b>25,168</b>	<b>54,330</b>	<b>62,391</b>	<b>60,435</b>
<b>Net profit attributable to:</b>				
- Owners of the Company	24,009	17,442	45,771	22,377
- Non-controlling interests	1,159	36,888	16,620	38,058
	<b>25,168</b>	<b>54,330</b>	<b>62,391</b>	<b>60,435</b>
Earnings per share				
- Basic earnings per share (sen)	3.10	2.25	5.91	2.89
- Diluted earnings per share (sen)	3.10	2.25	5.91	2.89

(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** : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)  
 (Registration No.: 199901020946 (495846-A))  
**Stock name** : WASCO  
**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30 June 2023 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 June 2022 Unaudited RM'000	Current Period To-date Ended 30 June 2023 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2022 Unaudited RM'000
<b>Net profit for the financial period</b>	<b>25,168</b>	<b>54,330</b>	<b>62,391</b>	<b>60,435</b>
<b>Other comprehensive income, net of tax:</b>				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	10,105	3,184	3,566	2,084
	10,105	3,814	3,566	2,084
<b>Total comprehensive income for the financial period</b>	<b>35,273</b>	<b>57,514</b>	<b>65,957</b>	<b>62,519</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	31,250	19,583	46,315	23,586
- Non-controlling interests	4,023	37,931	19,642	38,933
	<b>35,273</b>	<b>57,514</b>	<b>65,957</b>	<b>62,519</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 2022)

**Company name** : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)  
 (Registration No.: 199901020946 (495846-A))  
**Stock name** : WASCO  
**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>As at 30 June 2023 Unaudited RM'000</b>	<b>As at 31 December 2022 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	507,420	473,336
Right-of-use assets	282,008	299,903
Investment properties	8,917	9,046
Goodwill and other intangible assets	160,389	153,132
Deferred tax assets	46,672	50,117
Investment in associates	104,206	101,818
Investment in joint ventures	29,753	32,700
Trade and other receivables	3,489	3,451
Amounts owing by joint ventures	23,386	31,606
Contract assets	13,116	14,266
	<u>1,179,356</u>	<u>1,169,375</u>
<b>Current Assets</b>		
Inventories	193,301	223,395
Contract assets	509,010	381,548
Trade and other receivables	690,244	558,291
Amounts owing by associates	162	124
Amounts owing by joint ventures	162	205
Tax recoverable	15,075	10,590
Derivative financial assets	2,683	82
Time deposits	60,958	53,081
Cash and bank balances	203,155	275,929
	<u>1,674,750</u>	<u>1,503,245</u>
Assets classified as held for sale	6,961	16,171
Assets of disposal group classified as held for sale	24,847	24,659
	<u>2,885,914</u>	<u>2,713,450</u>
<b>TOTAL ASSETS</b>		
	<u>2,885,914</u>	<u>2,713,450</u>
<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	8,935	8,346
Retained profits	66,344	24,582
<b>Equity attributable to owners of the Company</b>	<u>622,345</u>	<u>579,994</u>
Non-controlling interests	119,870	98,914
	<u>742,215</u>	<u>678,908</u>
<b>TOTAL EQUITY</b>		
	<u>742,215</u>	<u>678,908</u>

**Company name** : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)  
 (Registration No.: 199901020946 (495846-A))  
**Stock name** : WASCO  
**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2023**

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

	As at 30 June 2023 Unaudited RM'000	As at 31 December 2022 Audited RM'000
<b>LIABILITIES</b>		
<b>Non-Current and Deferred Liabilities</b>		
Deferred tax liabilities	8,561	8,267
Lease liabilities	210,358	215,160
Trade and other payables	33,251	29,192
Loans and borrowings	70,677	81,885
	322,847	334,504
<b>Current Liabilities</b>		
Lease liabilities	20,169	21,447
Contract liabilities	289,422	314,049
Trade and other payables	643,379	533,671
Provision for warranties	26,588	22,687
Amounts owing to joint ventures	4,588	3,493
Loans and borrowings	722,590	708,081
Dividend payable	8,700	10,200
Current tax liabilities	82,327	64,824
Derivative financial liabilities	3,985	2,627
	1,801,748	1,681,079
Liabilities of disposal group classified as held for sale	19,104	18,959
	2,143,699	2,034,542
<b>TOTAL LIABILITIES</b>		
	2,885,914	2,713,450
<b>TOTAL EQUITY AND LIABILITIES</b>		

(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 : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)  
 Stock name : WASCO  
 Financial Period Ended : 30 June 2023  
 Quarter : 2

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 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	-	-	-	45,771	45,771	16,620	62,391
Other comprehensive income for the financial period	-	-	544	-	544	3,022	3,566
Total comprehensive income for the financial period	-	-	544	45,771	46,315	19,642	65,957
Transactions with owners:							
Dividend paid to non-controlling interest	-	-	-	-	-	(1,088)	(1,088)
Acquisition of shares in existing subsidiary from non-controlling interests	-	-	-	(4,009)	(4,009)	1,981	(2,028)
Disposal of a subsidiary	-	-	45	-	45	421	466
Total transactions with owners	-	-	45	(4,009)	(3,964)	1,314	(2,650)
At 30 June 2023	547,690	(624)	8,935	66,344	622,345	119,870	742,215

Company name : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)  
 Stock name : WASCO  
 Financial Period Ended : 30 June 2023  
 Quarter : 2

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 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		
<b>At 1 January 2022</b>	547,690	(624)	10,555	30,882	588,503	49,658	638,161
Net profit for the financial period	-	-	-	22,377	22,377	38,058	60,435
Other comprehensive income for the financial period	-	-	1,209	-	1,209	875	2,084
Total comprehensive income for the financial period	-	-	1,209	22,377	23,586	38,933	62,519
<b>Transaction with owners:</b>							
Acquisition of a subsidiary	-	-	-	-	-	307	307
Total transaction with owners	-	-	-	-	-	307	307
<b>At 30 June 2022</b>	547,690	(624)	11,764	53,259	612,089	88,898	700,987

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**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

## Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2023

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period To-date Ended 30 June 2023 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2022 Unaudited RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	88,845	94,875
Adjustments for non-operating items:		
Depreciation and amortisation	36,690	34,826
Other non-cash items	(16,604)	4,293
Interest expense	29,969	17,461
Interest income	(2,143)	(1,772)
Operating profit before changes in working capital	136,757	149,683
Changes in working capital:		
Net changes in current assets	(158,780)	(324,714)
Net changes in current liabilities	38,418	306,219
Cash generated from operations	16,395	131,188
Interest received	2,143	1,772
Interest paid	(29,969)	(17,461)
Tax paid	(12,795)	(8,450)
<b>Net cash (used in)/generated from operating activities</b>	<b>(24,226)</b>	<b>107,049</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(38,037)	(25,675)
Additional investment in subsidiary	(2,029)	-
Proceeds from disposal of property, plant and equipment	1,679	409
Proceeds from disposal of assets held for sale	24,419	10,568
Proceeds from disposal of an associate	-	30,800
Proceeds from disposal of subsidiary	200	-
Transfer from deposits and short term investment	23,693	23,206
Dividends received from associates	2,787	1,817
Net amount from joint venture	304	-
<b>Net cash generated from investing activities</b>	<b>13,016</b>	<b>41,125</b>
<b>Cash flows from financing activities</b>		
Drawdown of other bank borrowings	541,620	309,972
Repayment of other bank borrowings	(557,971)	(323,851)
Repayment of term loans	(12,813)	(52,113)
Principal elements of lease payments	(8,013)	(12,784)
Dividend paid to non-controlling interests	(2,588)	(1,750)
<b>Net cash used in financing activities</b>	<b>(39,765)</b>	<b>(80,526)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(50,975)</b>	<b>67,648</b>
<b>Currency translation differences</b>	<b>9,593</b>	<b>(1,284)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>305,495</b>	<b>218,153</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>264,113</b>	<b>284,517</b>

**Company name** : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)  
 (Registration No.: 199901020946 (495846-A))  
**Stock name** : WASCO  
**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2023**

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

	<b>Current Period To-date Ended 30 June 2023 Unaudited RM'000</b>	<b>Preceding Corresponding Period To-date Ended 30 June 2022 Unaudited RM'000</b>
<b>Cash and cash equivalents at the end of the financial period comprise of the following:</b>		
Time deposits	60,958	64,009
Cash and bank balances	203,155	221,161
Subtotal	264,113	285,170
Less:		
Short term investments	-	(653)
	264,113	284,517

(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)



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**Financial Period Ended** : 30 June 2023  
**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 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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**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

**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 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 30 June 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 30 June 2023.

**7. Dividends**

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

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**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

## 8. Segment information

	Energy Solutions Services RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
<b>RESULTS</b>					
<u>Financial period ended 30 June 2023</u>					
Revenue	790,370	232,826	203,315	91,815	1,318,326
Less: Inter segment revenue	(1,308)	-	-	(210)	(1,518)
External revenue	789,062	232,826	203,315	91,605	1,316,808
Segment profit	44,235	31,619	11,934	11,698	99,486
Share of results of associates	5,144	-	30	-	5,174
Share of results of joint ventures	(2,776)	281	-	(1,202)	(3,697)
	46,603	31,900	11,964	10,496	100,963
Unallocated expenses relating to financing activities					(9,637)
Unallocated corporate expenses					(2,481)
Profit before tax					88,845
<b>TOTAL ASSETS</b>					
<u>As at 30 June 2023</u>					
Segment assets	1,950,647	462,951	121,602	70,867	2,606,067
Investment in associates	104,068	-	138	-	104,206
Investment in joint ventures	24,423	4,171	-	1,159	29,753
Assets classified as held for sale	-	-	-	6,961	6,961
Assets of disposal group classified as held for sale	24,847	-	-	-	24,847
	2,103,985	467,122	121,740	79,816	2,771,834
Unallocated corporate assets					
- Deferred tax assets					46,672
- Tax recoverable					15,075
- Cash and cash equivalents					28,168
- Others					24,165
					2,885,914

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**Stock name** : WASCO  
**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

## 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 30 June 2023</u>					
Depreciation of:					
- Property, plant and equipment	20,094	2,630	209	934	23,867
- Investment properties	-	-	-	110	110
- Right-of-use assets	11,567	33	505	608	12,713
Additions of:					
- Property, plant and equipment	31,962	2,998	273	2,804	38,037
Impairment loss/(reversal) on:					
- Investment properties	-	-	19	-	19
- Receivables	(1,843)	(948)	334	-	(2,457)
- Amount owing from associate	(9,983)	-	-	-	(9,983)
- Amount owing from joint venture	7,881	-	-	-	7,881
Allowance/(Reversal) on slow moving and obsolete inventories	2,545	(68)	19	-	2,496
Write-off on:					
- Property, plant and equipment	550	8	8	-	566
- Inventories	293	95	8	-	396
Interest income	(674)	(411)	(966)	(92)	(2,143)
Interest expense					
- Loans and borrowings	9,219	2,962	1,929	406	14,516
- Lease liabilities	5,732	-	30	54	5,816

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 Stock name : WASCO  
 Financial Period Ended : 30 June 2023  
 Quarter : 2

**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 30 June 2023

Revenue comprise of:

- Revenue from contracts with customers	772,951	232,826	203,294	91,591	1,300,662
- Revenue from other sources	16,111	-	21	14	16,146
	<u>789,062</u>	<u>232,826</u>	<u>203,315</u>	<u>91,605</u>	<u>1,316,808</u>

Revenue from contracts with customers is represented by:

Timing of revenue recognition

- Over time	642,895	175,621	-	84,927	903,443
- At a point in time	130,056	57,205	203,294	6,664	397,219
	<u>772,951</u>	<u>232,826</u>	<u>203,294</u>	<u>91,591</u>	<u>1,300,662</u>

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**Stock name** : WASCO  
**Financial Period Ended** : 30 June 2023  
**Quarter** : 2

## 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 30 June 2022</u>					
Revenue	777,807	207,191	156,590	55,679	1,197,267
Less: Inter segment revenue	(1,161)	-	-	(215)	(1,376)
External revenue	<u>776,646</u>	<u>207,191</u>	<u>156,590</u>	<u>55,464</u>	<u>1,195,891</u>
Segment profit/(loss)	94,337	22,203	10,390	(2,978)	123,952
Share of results of associates	(8,224)	-	(128)	(2)	(8,354)
Share of results of joint ventures	(5,667)	304	-	(2,345)	(7,708)
	<u>80,446</u>	<u>22,507</u>	<u>10,262</u>	<u>(5,325)</u>	<u>107,890</u>
Unallocated expenses relating to financing activities					(5,650)
Unallocated corporate expenses					(7,365)
Profit before tax					<u>94,875</u>
TOTAL ASSETS					
<u>As at 30 June 2022</u>					
Segment assets	1,598,841	437,816	116,872	82,531	2,236,060
Investment in associates	145,348	-	140	-	145,488
Investment in joint ventures	35,907	7,177	-	1,888	44,972
Assets classified as held for sale	41,673	-	16,171	-	57,844
	<u>1,821,769</u>	<u>444,993</u>	<u>133,183</u>	<u>84,419</u>	<u>2,484,364</u>
Unallocated corporate assets					
- Deferred tax assets					36,418
- Tax recoverable					6,258
- Cash and cash equivalents					24,237
- Short term investment					653
- Others					24,438
Total assets					<u>2,576,368</u>

Company name : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD) (Registration No.: 199901020946 (495846-A))  
 Stock name : WASCO  
 Financial Period Ended : 30 June 2023  
 Quarter : 2

## 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 30 June 2022</u>					
Depreciation of:					
- Property, plant and equipment	16,570	2,433	386	673	20,062
- Investment properties	-	-	1	110	111
- Right-of-use assets	13,093	33	610	917	14,653
Additions of:					
- Property, plant and equipment	23,628	1,636	115	296	25,675
Impairment loss/(reversal) on:					
- Investment in a joint venture	-	-	-	2,832	2,832
- Receivables	251	111	(663)	-	(301)
(Reversal)/Allowance on slow moving and obsolete inventories	(17)	-	244	-	227
Write-off on:					
- Property, plant and equipment	149	-	15	-	164
- Inventories	-	-	5	-	5
- Receivables	71	25	-	24	120
Interest income	(989)	(356)	(351)	(76)	(1,772)
Interest expense					
- Loans and borrowings	2,937	2,107	954	134	6,132
- Lease liabilities	5,545	-	47	87	5,679

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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 30 June 2022</u>					
Revenue comprise of:					
- Revenue from contracts with customers	773,715	207,191	155,853	55,445	1,192,204
- Revenue from other sources	2,931	-	737	19	3,687
	<u>776,646</u>	<u>207,191</u>	<u>156,590</u>	<u>55,464</u>	<u>1,195,891</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	729,529	143,307	-	36,484	909,320
- At a point in time	44,186	63,884	155,853	18,961	282,884
	<u>773,715</u>	<u>207,191</u>	<u>155,853</u>	<u>55,445</u>	<u>1,192,204</u>



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## 9. Events after the reporting period

There were no material events subsequent to the financial period ended 30 June 2023.

## 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 2023, except the following:

### I. ACQUISITION OF 5.34% AND 2.67% EQUITY INTERESTS IN WS ENGINEERING TECHNOLOGIES PTE. LTD. RESPECTIVELY BY WASCO ENGINEERING GROUP LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Company's indirect wholly-owned subsidiary namely Wasco Engineering Group Limited (Company No. 143299) ("WEGL"), a company incorporated pursuant to the BVI Business Companies Act, 2004 and having its registered office address at Woodbourne Hall, Skelton Bldg, P.O. Box 3162, Road Town, Tortola, VG1110, British Virgin Islands, had on 15 June 2023 entered into the following Share Sale Agreements:

- (a) Share Sale Agreement ("SSA") with Ang Ban Teck, a Singapore citizen and having his residential address at Blk. 110, Bukit Batok West Avenue 6, #16-120, Singapore 650110, for the acquisition of 277,038 ordinary shares, equivalent to 5.34% equity interest in the issued and paid-up share capital of WS Engineering Technologies Pte. Ltd. (Company No. 200604655K) ("WSET"), a company incorporated pursuant to the Singapore Companies Act and having its registered office address at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, for a total consideration of SGD400,000.00 (equivalent to RM1,334,000.00) only, upon the terms and conditions as stipulated in the SSA.
- (b) SSA with Karim Tanado, an Indonesia citizen and having his residential address at Kondominium Golf Karawaci, Fairway Tower, Unit 6A, Jl. Boulevard Palem Raya, Lippo Karawaci, Tangerang, Banten 15810 Indonesia for the acquisition of 138,519 ordinary shares, equivalent to 2.67% equity interest in the issued and paid-up share capital of WSET, a company incorporated pursuant to the Singapore Companies Act and having its registered office address at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, for a total consideration of SGD200,000.00 (equivalent to RM667,000.00) only, upon the terms and conditions as stipulated in the SSA.

(collectively referred to as "Acquisitions of WSET Shares")

With the Acquisitions of WSET Shares, WSET became a wholly-owned subsidiary of WEGL and an indirect wholly-owned subsidiary of the Company accordingly.

The Acquisitions of WSET Shares are not expected to have any material effect on the earnings, net assets and gearing of Wasco Berhad for the financial year ending 31 December 2023.

None of the directors, major shareholders, chief executive of Wasco Berhad and/or persons connected to them have any interest, direct or indirect, in the Acquisitions of WSET Shares.

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

There were no changes in the composition of the Group during the current quarter and financial period ended 30 June 2023, except the following (continued):

##### II. ACQUISITION OF 0.46% EQUITY INTEREST IN PT WASCO ENGINEERING INDONESIA BY WASCO ENGINEERING GROUP LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Company's indirect wholly-owned subsidiary namely Wasco Engineering Group Limited (Company No. 143299) ("WEGL"), a company incorporated pursuant to the BVI Business Companies Act, 2004 and having its registered office address at Woodbourne Hall, Skelton Bldg, P.O. Box 3162, Road Town, Tortola, VG1110, British Virgin Islands, had on 19 June 2023 acquired 918 ordinary shares, equivalent to 0.46% equity interest in the issued and paid-up share capital of PT Wasco Engineering Indonesia, a company incorporated pursuant to the regulations of the Republic of Indonesia and having its address at Jalan Brigjen Katamso, Km. 5, Tanjung Uncang, Batam 29424, Indonesia, from Karim Tanado, an Indonesia citizen and his having residential address at Kondominium Golf Karawaci, Fairway Tower, Unit 6A, Jl. Boulevard Palem Raya, Lippo Karawaci, Tangerang, Banten 15810 Indonesia, for a total consideration of IDR91,800,000.00 (equivalent to RM28,000.00) only ("Acquisition of PTWEI Shares")

With the Acquisition of PTWEI Shares, PTWEI became a wholly-owned subsidiary of WEGL and an indirect wholly-owned subsidiary of the Company accordingly.

The Acquisition of PTWEI Shares was not expected to have any material effect on the earnings, net assets and gearing of Wasco Berhad for the financial year ending 31 December 2023.

None of the directors, major shareholders, chief executive of Wasco Berhad and/or persons connected to them have any interest, direct or indirect, in the Acquisition of PTWEI Shares.

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

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

	<b>As at 30 June 2023 RM'000</b>
Approved and contracted for	<u>56,901</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 2023

##### Energy Solutions Services Segment

The Energy Solutions Services Segment's external revenue for the second quarter and financial period ended 30 June 2023 were RM416.4 million and RM789.1 million respectively, compared with RM510.2 million and RM776.6 million in the corresponding periods in 2022. The segment registered a profit before tax of RM18.6 million and RM46.6 million respectively, compared with RM77.4 million and RM80.4 million in the corresponding period in 2022.

The segment had lower revenue in the current quarter compared with the corresponding quarter in 2022 due to timing of execution of projects in the order book. This together with the product mix as well as timing of profit recognition resulted in the segment reporting a lower profit in the current periods under review, compared with the corresponding periods in 2022.

##### Renewable Energy Segment

The Renewable Energy Segment's external revenue for the second quarter and financial period ended 30 June 2023 were RM123.1 million and RM232.8 million respectively, compared with RM117.2 million and RM207.2 million in the corresponding period in 2022. The profit before tax were RM20.3 million and RM31.9 million respectively, as against RM13.4 million and RM22.5 million in the corresponding period in 2022.

Higher revenue and profit before taxation of the Renewable Energy Segment were mainly due to the higher number of projects executed and improved profit margin from the Industrial Engineering unit.

##### Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the second quarter and financial period ended 30 June 2023 were RM90.1 million and RM203.3 million respectively, compared with RM75.3 million and RM156.6 million in the corresponding period in 2022. The segment recorded a profit before tax of RM1.8 million and RM12.0 million respectively, compared with RM6.0 million and RM10.3 million in the corresponding period in 2022.

Higher revenue compared with the last corresponding quarter in 2022 was due to higher sales volume from the distribution of building materials, while lower profit before tax was due to recognition of one-off gain on disposal of asset held for sales in last corresponding quarter in 2022.

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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 RM38.8 million in the current quarter, compared with RM50.0 million in the previous quarter. The decrease in operation profit was mainly due to recognition of a one-off gain on disposal of assets in the last quarter.

**16. Prospects**

The Group's order book has increased to RM3.9 billion, comprising RM3.5 billion in the Energy Solutions Services segment, RM383.4 million in the Renewable Energy segment, and RM58.3 million in the Industrial Trading & Services segment. The Group continues to replenish its order book, and the strong order book is expected to contribute positive results to the Group in the coming quarters/years.

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# 17. Profit before tax

	Current Quarter Ended 30 June 2023 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2022 RM'000	Current Period To- date Ended 30 June 2023 RM'000	Preceding Corresponding Period To-date Ended 30 June 2022 RM'000
Profit before tax is stated after charging/(crediting) the following items:				
Interest income	(490)	(1,042)	(2,143)	(1,772)
Depreciation and amortisation	19,112	17,277	36,690	34,826
(Reversal)/impairment loss on receivables - net	(790)	710	(2,457)	(301)
Reversal of impairment loss on amount owing from associate	(9,983)	-	(9,983)	-
Impairment loss on amount owing from joint venture	7,881	-	7,881	-
Impairment loss on investment properties	-	-	19	-
Impairment loss on investment in a joint venture	-	-	-	2,832
Allowance on slow moving and obsolete inventories - net	1,286	122	2,496	227
Write-off on property, plant and equipment	566	142	566	164
Write-off on inventories	293	2	396	5
Write-off on receivables	-	97	-	120
Net foreign exchange gain	(9,625)	(4,225)	(7,343)	(4,900)
Gain on disposal of assets held for sale	-	(5,160)	(8,249)	(5,160)
Gain on disposal of an associate	-	-	-	(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 30 June 2023 RM'000	Period To-date Ended 30 June 2023 RM'000
Tax expense		
- Malaysian tax	5,459	8,104
- Foreign tax	8,196	18,351
	<u>13,654</u>	<u>26,454</u>

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

	Current Quarter Ended 30 June 2023 RM'000	Period To-date Ended 30 June 2023 RM'000
Profit before tax	<u>38,822</u>	<u>88,845</u>
Tax expense at the statutory tax rate – 24%	9,317	21,323
Other tax adjustments	<u>4,337</u>	<u>5,131</u>
Taxation	<u>13,654</u>	<u>26,454</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 30 June 2023 RM'000
<b>Unsecured</b>	
<b>Short term borrowings</b>	
Revolving credits	549,998
Term loans	26,055
Trade financing	124,445
Fixed rate notes	22,092
	<hr/> 722,590
<b>Long term borrowings</b>	
Term loans	70,677
<b>Total borrowings</b>	<hr/> 793,267 <hr/>

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

United States Dollar	588,798
Ringgit Malaysia	183,752
Australian Dollar	14,692
Singapore Dollar	3,355
Euro Dollar	1,590
British Pound	1,080
	<hr/> 793,267 <hr/>

## 21. Fair value of financial instruments

The fair value gains and losses arising from fair value changes in derivative financial assets and liabilities during the current quarter and financial period ended 30 June 2023 are as follows:

	Current Quarter Ended 30 June 2023 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2022 RM'000	Current Period To-date Ended 30 June 2023 RM'000	Preceding Corresponding Period To-date Ended 30 June 2022 RM'000
<u>Forward currency contracts</u>	-	-	(2,545)	(398)
Balance as at				
- 1 January				
- 1 April	(1,428)	(474)	-	-
Fair value gain/(loss) recognised in profit or loss	196	(389)	1,269	(464)
Effect of changes in exchange rate	(70)	(5)	(26)	(6)
Balance as at 30 June	<hr/> (1,302) <hr/>	<hr/> (868) <hr/>	<hr/> (1,302) <hr/>	<hr/> (868) <hr/>

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

	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000
Represented by:		
Derivative financial assets	2,683	1,908
Derivative financial liabilities	(3,985)	(2,776)
	<u>(1,302)</u>	<u>(868)</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 2023</u>				
<u>Financial assets</u>				
Derivative financial assets	-	2,683	-	2,683
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(3,985)	-	(3,985)

### 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 2023	Preceding Year Corresponding Quarter Ended 30 June 2022	Current Period To-date Ended 30 June 2023	Preceding Corresponding Period To-date Ended 30 June 2022
Net profit attributable to the owners of the Company (RM'000)	24,009	17,442	45,771	22,377
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)	3.10	2.25	5.91	2.89

## 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 24 August 2023.