

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The movements in the allowance for impairment losses of investment in subsidiaries during the financial year are as follows:

	Company	
	2022	2021
	RM'000	RM'000
At 1 January	181,650	173,526
Impairment loss recognised	4,656	8,124
	186,306	181,650

For the financial year ended 31 December 2022, due to the uncertainty of the future economic condition, the investment in a subsidiary of the Company was not expected to be recovered. The recoverable amount was RM2,009,000 (2021: RM6,665,000), determined through the higher of value in use or fair value less cost to sell. As a result, an impairment loss of RM4,656,000 (2021: RM8,124,000) was recognised in the profit and loss.

Details of subsidiaries are as follows:

	Group's effective interest			
	2022 %	2021 %	Country of incorporation	Principal activities
Wasco Energy Ltd.	100	100	Bermuda	Investment holding
Wasco Management Services Sdn. Bhd.	100	100	Malaysia	Provision of management support services
Wasco Capital Pte. Limited	- ^w	100	Singapore	Investment and management of treasury activities
~ Wasco (Australia) Pty. Ltd.	60	60	Australia	Provision of construction services for the oil and gas industry
# Wasco Coatings Limited	100	100	Hong Kong, SAR	Investment holding
* Wasco Coatings UK Ltd.	100	100	England and Wales	Investment holding
~ Wasco Management Services S.R.L.	-	- ^q	Italy	Dormant (Dissolved)
* Wasco Coatings Singapore Pte. Ltd.	100	100	Singapore	Investment holding
~ Turn Key Pipeline Services B.V.	100	100	The Netherlands	Provision of engineering design, construction, installation services and supply of equipment for pipe coating plant and facilities for the oil and gas industry
Wasco Infra Services Sdn. Bhd.	91	91 ^s	Malaysia	Engineering, procurement and construction of onshore and near shore of hydrocarbon, water and slurry pipelines and associated facilities

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

	Group's effective interest		Country of incorporation	Principal activities
	2022 %	2021 %		
* Eco Consortium Sdn. Bhd.	86 ^b	86 ^s	Malaysia	Dormant
* Wasco Coatings Middle East QFZ LLC	60	60	State of Qatar	Provision of anti-corrosion and concrete weight coating of pipelines to the oil and gas industry
Wasco Coatings Services Sdn. Bhd.	100	100	Malaysia	Provision of pipe coating and related services to the oil and gas industry
# Wasco Coatings Norway AS	100	100	Norway	Dormant
* Wasco Coatings Europe B.V.	100	100	The Netherlands	Provision of pipe coating and related services to the oil and gas industry
# Wasco Coatings Germany GmbH	100	100	Germany	Provision of pipe coating and related services to the oil & gas industry
# Wasco Coatings Germany (Plant and Equipment) GmbH	100	100	Germany	Dormant
# Wasco Coatings Finland Oy	100	100	Finland	Dormant
Wasco Coatings Finland (Plant and Equipment) Oy	-	- ^r	Finland	Dormant
# Wasco ISOAF S.R.L (formerly known as ISOAF S.R.L.)	50 ^x	25	Italy	Provision of line pipe thermal insulation services
# Wasco ISOAF Tz Limited (formerly known as ISOAF Tz Limited)	38 ^x	-	Tanzania	Carry on business of pipe coating, fuel, gas and gas cylinder
PPSC Industrial Holdings Sdn. Bhd.	100	100	Malaysia	Investment holding
Wasco Resources Sdn. Bhd.	100	100	Malaysia	Property investment holding
Wasco Coatings Malaysia Sdn. Bhd.	70	70	Malaysia	Coating of pipes for the oil and gas industry
Wasco Coatings Insulation Sdn. Bhd.	-	- ^u	Malaysia	Dormant (In Member's Voluntary Liquidation)
# Wasco Coatings HK Limited	100	100	Hong Kong, SAR	Investment holding, construction of coating plants, marketing and provision of pipe coating and related services to the oil and gas industry
~ Wasco Energy De Mexico S.A.DE C.V.	-	- ⁱ	Mexico	Dormant (Dissolved)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

	Group's effective interest		Country of incorporation	Principal activities
	2022 %	2021 %		
~ Wasco Kanssen Limited	100	100	British Virgin Islands	Investment holding and provision of pipe coating services
* Jingzhou Wasco Kanssen Offshore Petroleum Engineering Co., Ltd.	100	100	People's Republic of China	Provision of pipe coating services and trading of goods
* Kanssen (Yadong) Coating Services (Jingzhou) Company Limited	100	100	People's Republic of China	Provision of pipe coating services and trading of goods
* PPSC China Limited	100	100	Hong Kong, SAR	Investment holding
Wasco Oil Technologies Sdn. Bhd.	100	100	Malaysia	Investment holding and provision of management services
Wasco Oilfield Services Sdn. Bhd.	49 ⁿ	49 ⁿ	Malaysia	Investment holding
Wasco Corrosion Services Sdn. Bhd.	63	63	Malaysia	Supply and installation of sacrificial anodes, provision of cathodic protection services and equipment, corrosion protection services, passive fire protection services, special paint coating services and provision of technical training services
Wasco Lindung Sdn. Bhd.	48 ⁿ	48 ⁿ	Malaysia	Manufacture, supply and installation of sacrificial anodes, provision of cathodic protection services and equipment, corrosion protection services, passive fire protection services, special paint coating services and provision of technical training services
Asiana Emas Sdn. Bhd.	100	100	Malaysia	Investment holding
Petro-Pipe (Sabah) Sdn. Bhd.	70	70	Malaysia	Manufacturing and sales of spiral welded pipes for the oil and gas industry
Wasco Engineering Group Limited	100	100	British Virgin Islands	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

	Group's effective interest		Country of incorporation	Principal activities
	2022 %	2021 %		
# Wasco Engineering International Ltd.	100	100	British Virgin Islands	Leasing of compressors and power generators, designing, engineering and fabrication and sale of gas processing and compression systems and gas based power generators; and servicing and selling parts of oil and gas processing and compression systems
* WEGL Services India Private Limited	- ^y	100	India	Dormant
* PT Wasco Engineering International	100	100	Indonesia	Dormant
* WS Engineering & Fabrication Pte. Ltd.	100	100	Singapore	Design, engineering and fabrication of oil and gas processing and compression systems and equipment
* WEGL Offshore Investments Pte. Ltd. (formerly known as MMA Offshore Holdings Pte. Ltd.)	100 ^a	-	Singapore	Investment holding
* WEGL investments Pte. Ltd. (formerly known as MMA Offshore Investments Pte. Ltd.)	100 ^a	-	Singapore	Investment holding
* PT Wasco Resources Indonesia (formerly known as PT Jaya Asiatic Shipyard)	100 ^a	-	Indonesia	Investment and property holding
~ Wasco Engineering Australia Pty. Ltd.	100	100	Australia	Dormant
* WS Engineering Equipment Pte. Ltd.	100	100	Singapore	Leasing of equipment and provision of operation and maintenance, and other related services to the oil and gas industry
~ Mackenzie Hydrocarbons (Australia) Pty. Ltd.	100	100	Australia	Provision of engineering consultancy and fabrication services
* WS Engineering Technologies Pte. Ltd.	92	92	Singapore	Engineering and fabrication of oil and gas systems and equipment
# PT. Wasco Engineering Indonesia	92	92 ^t	Indonesia	Provision of engineering, design, fabrication and construction services for oil and gas industry

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

	Group's effective interest		Country of incorporation	Principal activities
	2022 %	2021 %		
* Wasco E&P Services Limited	100	100	Hong Kong, SAR	Investment holding
* WSN Investments Limited	-	- ^p	Hong Kong, SAR	Dormant (Dissolved)
* Wasco China International Limited	100	100	Hong Kong, SAR	Investment holding
* Ashburn Offshore Oil & Gas Equipment & Engineering (Tianjin) Co. Ltd.	65	65	People's Republic of China	Design and manufacturing of products to the oil and gas industry
* Ashburn International Trade (Tianjin) Co. Ltd.	65	65	People's Republic of China	International trade, processing and assembling, storage of bonded goods and development of high technological products and consultancy services
Jutasama Sdn. Bhd.	100	100	Malaysia	Contracting of industrial engineering projects
Mackenzie Industries Sdn. Bhd.	60	60	Malaysia	Undertaking of steam boilers and energy system projects in both local and overseas markets
Jutasama Jaya Sdn. Bhd.	100	100	Malaysia	Dormant
PMT Industries Sdn. Bhd.	100	100	Malaysia	Manufacturing and supplying of spare parts, equipment and provision of maintenance services for palm oil and other agricultural industries
PMT Industries (Labuan) Ltd.	100	100	Federal Territory of Labuan, Malaysia	Supply of equipment for palm oil and other agricultural industries
PMT-Phoenix Industries Sdn. Bhd.	- ^c	- ^c	Malaysia	Dormant (In Member's Voluntary Winding Up)
PMT-Dong Yuan Industries Sdn. Bhd.	100	100	Malaysia	Fabrication, assembly and supply of machinery and equipment to palm oil industry
* PT. PMT Industri	100	100	Indonesia	Supply of spare parts, equipment, provision of maintenance services and engineering consultation for palm oil and other agricultural industries
Peakvest Sdn. Bhd.	100	100	Malaysia	Letting of properties

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

	Group's effective interest		Country of incorporation	Principal activities
	2022 %	2021 %		
PMT Saito Sdn. Bhd.	51	51	Malaysia	Manufacturing accessories and equipment under the brand of 'Saito', for disc bowl centrifuge for palm oil industry, manufacturing of decaners model SID550P and 580P for palm oil industry, and manufacturing and development of new products in any industry
Petro-Pipe Industrial Corporation Sdn. Bhd.	100	100	Malaysia	Investment holding
WS Integrasi Sdn. Bhd.	100 ^z	-	Malaysia	Dormant
Petro-Pipe Industries (M) Sdn. Bhd.	100	100	Malaysia	Investment holding
PPI Industries Sdn. Bhd.	100	100	Malaysia	Supplying and trading of steel pipes and related products and services
Syn Tai Hung Trading Sdn. Bhd.	100	100	Malaysia	Trading and distribution of building materials
Stellar Marketing Sdn. Bhd.	100	100	Malaysia	Dormant
~ Syn Tai Hung (Cambodia) Co. Ltd	100	100	Kingdom of Cambodia	Trading and warehousing of building materials
Petro-Pipe Engineering Services Sdn. Bhd.	100	100	Malaysia	Trading and distribution parts and machineries and other ancillary materials and services
WDG Resources Sdn. Bhd.	60	60	Malaysia	Trading, distribution, wholesale and retail, renting, leasing and service of industry machinery, equipment and parts
Syn Tai Hung Marketing Sdn. Bhd.	60	60	Malaysia	Trading, distribution and service of industry machinery, equipment and spare parts; trading and distribution of building materials; marketing, distribution, service, maintenance and assembly of industrial and agricultural equipment
STH Edaran Sdn. Bhd.	60	60	Malaysia	Marketing, distribution, service, maintenance and assembly of industrial and agricultural equipment
Syn Tai Hung Borneo Sdn. Bhd.	70	70	Malaysia	Trading and distribution of building materials

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

	Group's effective interest		Country of incorporation	Principal activities
	2022 %	2021 %		
* Wah Seong International Pte Limited	100	100	Hong Kong, SAR	Investment holding
~ WSIPL Australia Pty. Ltd.	100 ^d	100	Australia	Dormant
Wah Seong Industrial Holdings Sdn. Bhd.	100	100	Malaysia	Investment and property holding and provision of management services
Wah Seong Management Services Sdn. Bhd.	100	100	Malaysia	Provision of management support services and business management consultancy services
WSC Capital Sdn. Bhd.	100	100	Malaysia	Treasury management centre providing services to its related companies within Malaysia and overseas which includes cash financing, debt management, investment services and financial risk management
Maple Sunpark Sdn. Bhd.	100	100	Malaysia	Letting of properties
Triple Cash Sdn. Bhd.	79	79	Malaysia	Investment and property holding
Sunrise Green Sdn. Bhd.	65	65	Malaysia	Investment and property holding

* Audited by a firm other than member firms of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.

Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT.

~ Companies not required by their local laws to appoint statutory auditors.

d On 22 December 2022, WSIPL Australia Pty. Ltd. ("WSIPL Australia"), an indirect wholly-owned subsidiary of the Company had filed for voluntary deregistration with the Australian Securities & Investments Commission.

Subsequently on 23 February 2023, WSIPL Australia was deregistered under section 601AA(4) of the Corporations Act 2011.

b On 15 December 2022, Eco Consortium Sdn. Bhd., an indirect 86% owned subsidiary of the Company had filed an application for striking off with the Register of Companies Commission of Malaysia, pursuant to section 550 of the Companies Act 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

- a On 29 April 2022, Wasco Engineering Group Limited ("WEGL"), an indirect wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("SSA") with MMA Offshore Asia Pte. Ltd., for the acquisition of 100% equity interests in WEGL Investments Pte. Ltd. (formerly known as MMA Offshore Holdings Pte. Ltd.) ("WEGL Investments") and WEGL Offshore Investments Pte. Ltd. (formerly known as MMA Offshore Investments Pte. Ltd.) ("WEGL Offshore Investments") for a total consideration of USD15,000,000 (equivalent to approximately RM65,397,000) plus the Working Capital Amount ("Purchase price"), subject to the terms and conditions as stipulated in the SSA ("Sale Shares").

Pursuant to the SSA, upon completion of the Sale Shares, PT Wasco Resources Indonesia (formerly known as PT Jaya Asiatic Shipyard) ("PTWRI"), a subsidiary of WEGL Investments and WEGL Offshore Investments shall become an indirect wholly-owned subsidiary of the Company.

On 1 December 2022, the acquisition is deemed achieved with the final instalment of the Purchase Price being paid in accordance to the terms of the SSA.

- z On 28 April 2022, Petro-pipe Industrial Corporation Sdn. Bhd. ("PPIC"), an indirect wholly-owned subsidiary of the Company acquired the entire equity interest held in the total issued share capital of WS Integrasi Sdn. Bhd. ("WSI") from the Company and Tengku Rozitatoria Binti Tengku Rostam, the existing shareholders of WSI for a total consideration of RM1,000.

Upon completion of the WSI shares transfer exercise, WSI ceased to be a 49%-owned associate of the Company and became an indirect wholly-owned subsidiary of the Company, held through PPIC.

On 30 December 2022, WSI had at its Extraordinary General Meeting, inter-alia, approved the special resolution to wind up WSI by way of the Member's Voluntary Winding Up by its shareholder ("Member's Voluntary Winding Up").

- y On 25 March 2022, WEGL Services India Private Limited, an indirect wholly-owned subsidiary of the Company, has commenced voluntary liquidation in accordance with the Regulation of Insolvency and Bankruptcy Board of India. Subsequently, a notice dated 29 March 2022 was published and stakeholders were required to submit the claims within 30 days from the date of commencement of voluntary liquidation.

- x On 10 February 2022, Wasco Coatings Europe B.V., an indirect wholly-owned subsidiary of the Company acquired additional 25.1% equity interest in the share capital of Wasco ISOAF S.R.L (formerly known as ISOAF S.R.L) ("ISOAF") from Isopius Fernwärmetechnik Gesellschaft M.B.H for a total consideration of EUR6,275 (equivalent to approximately RM29,800).

Upon the completion of the acquisition of ISOAF shares, ISOAF became an indirect 50.1% owned subsidiary of the Company and its subsidiary, Wasco ISOAF Tz Limited (formerly known as ISOAF Tz Limited) ("ISOAF Tz") became an indirect 37.6% owned subsidiary of the Company, held through ISOAF.

- w On 17 January 2022, Wasco Capital Pte. Limited ("WCPL"), an indirect wholly-owned subsidiary of the Company had completed the application for striking off with Accounting and Corporate Regulatory Authority, Singapore.

Subsequently on 9 May 2022, WCPL has been struck off from the register.

- v On 13 January 2022, ISOAF, which was then an indirect 25% owned joint venture of the Company subscribed 750 ordinary shares, representing 75% equity interest in the issued and paid-up share capital of ISOAF Tz, a company incorporated in Tanzania for a total cash consideration of TZS15,000,000 (equivalent to approximately RM27,000). ISOAF Tz is involved in the business of pipe coating, fuel, gas and gas cylinder.

Upon the completion of the subscription of ISOAF Tz shares, ISOAF Tz became a 75% owned subsidiary of ISOAF.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

- u On 29 October 2021, the Company announced that Wasco Coatings Insulation Sdn. Bhd. ("WCI"), an indirect 70%-owned subsidiary of the Company had at its Extraordinary General Meeting held on 29 October 2021, approved the special resolution to wind up WCI by way of the Member's Voluntary Winding Up by its shareholder.*
- t On 8 October 2021, WS Engineering Technologies Pte. Ltd., an indirect 92% owned subsidiary of the Company subscribed an additional 181,633 ordinary shares in PT. Wasco Engineering Indonesia ("PTWEI") for a total consideration of IDR18,163,300,000 (equivalent to approximately RM5,289,000). Upon completion of the acquisition, PTWEI became an indirect 92% owned subsidiary of the Company.*
- s On 16 July 2021, Wasco Coatings Limited., an indirect wholly-owned subsidiary of the Company acquired additional 40% equity interest in Wasco Infra Services Sdn. Bhd. ("WIS"), (formerly known as Wasco CPM Sdn. Bhd.) from its minority interest, P.T. Citra Panji Manunggal which representing 200,000 ordinary shares for a consideration of RM1.00. Upon completion of the acquisition of WIS additional shares, WIS became an indirect 91% owned subsidiary of the Company. Accordingly, the subsidiary of WIS, Eco Consortium Sdn Bhd became an indirect 86% owned subsidiary of the Company.*
- r On 30 June 2021, Wasco Coatings Finland (Plant and Equipment) Oy ("WCFPE"), an indirect wholly-owned subsidiary of the Company completed merger with Wasco Coatings Finland ("WC Finland"). WCFPE was dissolved following the merger with WC Finland.*
- i On 19 June 2021, Wasco Energy De Mexico S.A. DE C.V. ("WEDM") which was in voluntary liquidation, completed its voluntary liquidation in accordance with the rules and regulations of the General Corporations Law of Mexico and was subsequently liquidated.*
- q On 16 March 2021, Wasco Management Services S.R.L. ("WMS SRL"), an indirect wholly-owned subsidiary of the Company completed the voluntary liquidation and was cancelled from the Chamber of Commerce of Milan Monza Brianza Lodi on 4 March 2021. The Certificate of Cancellation in accordance with the rules and regulations of the Companies Act in Italy dated 4 March 2021 issued by the Chamber of Commerce of Milan Monza Brianza Lodi was received on 16 March 2021.*

On 21 May 2020, WMS SRL had at its Shareholder Meeting, approved the resolution to voluntary liquidate and dissolve WMS SRL in accordance with the rules and regulations of the Companies Act in Italy. The liquidation certificate pertaining to the Member's Voluntary Liquidation of WMS SRL was received on 27 May 2020. As a result, the Group no longer controls the subsidiary and as such it was not consolidated.
- p On 23 February 2021, the Company announced that WSN Investments Limited, an indirect wholly-owned subsidiary of the Company, had been deregistered on 11 February 2021 pursuant to Section 751 of the Companies Ordinance in Hong Kong. The notice of dissolution was obtained by the Company from the Companies Registry of Hong Kong on 22 February 2021.*
- c On 15 December 2017, PMT-Phoenix Industries Sdn. Bhd. ("PMT-Phoenix"), an indirect wholly-owned subsidiary of the Company had at its Extraordinary General Meeting inter-alia, approved the special resolution to wind up PMT-Phoenix by way of Member's Voluntary Winding Up. As a result, the Group no longer controls the subsidiary and as such it was not consolidated.*
- π Although the Company does not own more than 50% of the equity shares of Wasco Oilfield Services Sdn. Bhd. ("WOS"), Wasco Lindung Sdn. Bhd. ("WL") and Wasco ISOAF Tz Limited ("ISOAF Tz") and consequently it does not control more than half of the voting power of those shares, it has the power to appoint and remove the majority of the Board of Directors of WOS, WL and ISOAF Tz. As such control of these entities is by the Company. Consequently, WOS, WL and ISOAF Tz are controlled by the Company and are consolidated in these financial statements (2021: WOS and WL).*