

Company name : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)
 (Registration No.: 199901020946 (495846-A))
 Stock name : WASCO
 Financial Year Ended : 31 December 2023
 Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2023 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2022 Unaudited RM'000 (Re- presented*)	Financial Year Ended 31 December 2023 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2022 Unaudited RM'000 (Re- presented*)
Gross revenue	800,966	707,479	2,605,688	2,366,081
Cost of sales	(644,365)	(598,102)	(2,159,848)	(1,977,103)
Gross profit	156,601	109,377	445,840	388,978
Other operating income	18,171	2,171	64,549	52,565
Selling and distribution expenses	(2,690)	(12,174)	(26,876)	(36,684)
Administrative and general expenses	(63,342)	(45,517)	(215,744)	(184,572)
Impairment loss on non-financial assets	(1,847)	-	(1,866)	-
(Loss)/Reversal of impairment on financial assets	(685)	(25,667)	7,926	(28,211)
Other (losses)/gain - net	(1,394)	585	(1,374)	(2,422)
Profit from operations	104,814	28,775	272,455	189,654
Finance costs	(15,693)	(16,029)	(58,737)	(43,295)
Share of results of associates	6,830	(3,225)	16,307	(11,614)
Share of results of joint ventures	(10,029)	(1,540)	(11,769)	(11,336)
Impairment of investment in associates	-	(39,537)	-	(39,537)
Impairment of investment in joint ventures	-	(8,989)	-	(8,989)
Profit/(Loss) before tax	85,922	(40,545)	218,256	74,883
Tax expense	(28,640)	(1,609)	(68,133)	(38,924)
Profit/(Loss) from continuing operations	57,282	(42,154)	150,123	35,959
(Loss)/Profit from discontinued operations	(211)	(184)	4,705	7,171
Net profit/(loss) for the financial year	57,071	(42,338)	154,828	43,130

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (continued)

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2023 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2022 Unaudited RM'000 (Re- presented*)	Financial Year Ended 31 December 2023 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2022 Unaudited RM'000 (Re- presented*)
Net profit/(loss) attributable to:				
- Owners of the Company	35,223	(48,243)	108,402	(6,300)
- Non-controlling interests	21,848	5,905	46,426	49,430
	57,071	(42,338)	154,828	43,130
Earnings per share				
- Basic earnings per share (sen)	4.55	(6.23)	14.00	(0.81)
- Diluted earnings per share (sen)	4.55	(6.23)	14.00	(0.81)

* Refer Note 11 for further details.

(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)
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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2023 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2022 Unaudited RM'000	Financial Year Ended 31 December 2023 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2022 Unaudited RM'000
Net profit/(loss) for the financial year	57,071	(42,338)	154,828	43,130
Other comprehensive income/(expense), net of tax: <i>Items that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	7,843	(11,792)	6,709	(2,301)
	7,843	(11,792)	6,709	(2,301)
Total comprehensive income/(expense) for the financial period	64,914	(54,130)	161,537	40,829
Total comprehensive income/(expense) attributable to:				
- Owners of the Company	44,621	(57,753)	113,404	(8,509)
- Non-controlling interests	20,293	3,623	48,133	49,338
	64,914	(54,130)	161,537	40,829
Total comprehensive income/(expense) attributable to owners of the company arises from:				
- Continuing operations	44,592	(57,924)	108,920	(14,983)
- Discontinued operations	29	171	4,484	6,474
	44,621	(57,753)	113,404	(8,509)

(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)

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 Stock name : WASCO
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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December 2023 Unaudited RM'000	As at 31 December 2022 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	563,420	473,336
Right-of-use assets	276,834	299,903
Investment properties	6,412	9,046
Goodwill and other intangible assets	158,083	153,132
Deferred tax assets	26,719	50,117
Investment in associates	112,742	101,818
Investment in joint ventures	20,180	32,700
Trade and other receivables	3,603	3,451
Amounts owing by joint ventures	23,849	31,606
Contract assets	-	14,266
	<u>1,191,842</u>	<u>1,169,375</u>
Current Assets		
Inventories	186,324	223,395
Contract assets	446,339	381,548
Trade and other receivables	563,572	558,291
Amounts owing by associates	180	124
Amounts owing by joint ventures	146	205
Tax recoverable	15,478	10,590
Derivative financial assets	154	82
Time deposits	103,181	53,081
Cash and bank balances	307,163	275,929
	<u>1,622,537</u>	<u>1,503,245</u>
Assets classified as held for sale	12,090	16,171
Assets of disposal group classified as held for sale	120,181	24,659
	<u></u>	<u></u>
TOTAL ASSETS	<u>2,946,650</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	13,566	8,346
Retained profits	144,174	24,582
Equity attributable to owners of the Company	<u>704,806</u>	<u>579,994</u>
Non-controlling interests	115,584	98,914
	<u></u>	<u></u>
TOTAL EQUITY	<u>820,390</u>	<u>678,908</u>

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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	8,957	8,267
Lease liabilities	206,527	215,160
Trade and other payables	50,525	29,192
Loans and borrowings	50,916	81,885
	<u>316,925</u>	<u>334,504</u>
Current Liabilities		
Lease liabilities	20,348	21,447
Contract liabilities	319,826	314,049
Trade and other payables	595,612	533,671
Provision for warranties	35,510	22,687
Amounts owing to joint ventures	7,573	3,493
Loans and borrowings	652,046	708,081
Dividend payable	4,450	10,200
Current tax liabilities	68,294	64,824
Derivative financial liabilities	4,100	2,627
	<u>1,707,759</u>	<u>1,681,079</u>
Liabilities of disposal group classified as held for sale	<u>101,576</u>	<u>18,959</u>
TOTAL LIABILITIES	<u>2,126,260</u>	<u>2,034,542</u>
TOTAL EQUITY AND LIABILITIES	<u>2,946,650</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 : WASCO BERHAD (FORMERLY KNOWN AS WAH SEONG CORPORATION BERHAD)
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 Financial Period Ended : 31 December 2023
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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 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 2023	547,690	(624)	8,346	24,582	579,994	98,914	678,908
Net profit for the financial year	-	-	-	108,402	108,402	46,426	154,828
Other comprehensive income for the financial year	-	-	5,002	-	5,002	1,707	6,709
Total comprehensive income for the financial year	-	-	5,002	108,402	113,404	48,133	161,537
Transactions with owners:							
Dividend paid to non-controlling interest	-	-	-	-	-	(1,088)	(1,088)
Acquisition of shares in existing subsidiaries from non-controlling interests	-	-	-	11,190	11,190	(26,864)	(15,674)
Disposal of subsidiaries	-	-	218	-	218	(3,511)	(3,293)
Total transactions with owners	-	-	218	11,190	11,408	(31,463)	(20,055)
At 31 December 2023	547,690	(624)	13,566	144,174	704,806	115,584	820,390

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

These figures have 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 2022	547,690	(624)	10,555	30,882	588,503	49,658	638,161
Net (loss)/profit for the financial year	-	-	-	(6,300)	(6,300)	49,430	43,130
Other comprehensive expense for the financial year	-	-	(2,209)	-	(2,209)	(92)	(2,301)
Total comprehensive (expense)/income for the financial year	-	-	(2,209)	(6,300)	(8,509)	49,338	40,829
Dividend paid/payable to non-controlling interests	-	-	-	-	-	(488)	(488)
Total contributions by and distributions to owners	-	-	-	-	-	(488)	(488)
Acquisition of a subsidiary	-	-	-	-	-	406	406
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	406	406
At 31 December 2022	547,690	(624)	8,346	24,582	579,994	98,914	678,908

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year Ended 31 December 2023 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2022 Audited RM'000
Cash flows from operating activities		
Profit before income tax		
Continuing operations	218,256	74,883
Discontinued operations	6,145	7,138
Profit before income tax including discontinued operations	224,401	82,021
Adjustments for non-operating items:		
Depreciation and amortisation	77,767	70,560
Other non-cash items	(19,040)	98,390
Interest expense	62,508	45,377
Interest income	(5,466)	(4,378)
Operating profit before changes in working capital	340,170	291,970
Changes in working capital:		
Net changes in current assets	(87,845)	(419,263)
Net changes in current liabilities	86,857	354,443
Cash generated from operations	339,182	227,150
Interest received	5,466	4,378
Interest paid	(62,508)	(43,857)
Tax paid	(42,589)	(21,426)
Net cash generated from operating activities	239,551	166,245
Cash flows from investing activities		
Purchase of property, plant and equipment	(127,510)	(36,645)
Purchase of investment properties	(23)	-
Acquisition of a subsidiary, net of cash acquired	-	(65,388)
Additional investment in subsidiary	(2,075)	-
Subscription of shares in subsidiary by non-controlling interest	-	406
Proceeds from disposal of property, plant and equipment	2,843	1,481
Proceeds from disposal of assets held for sale	46,227	10,557
Proceeds from disposal of an associate	-	30,800
Proceeds from disposal of subsidiaries	4,128	-
Transfer from deposits and short term investment	158	305
Dividends received from associates	2,787	1,817
Dividends received from joint venture	1,070	4,406
Net cash to disposal group	(13,856)	(11,841)
Net amount from joint venture	-	104
Net cash used in investing activities	(86,251)	(63,998)
Cash flows from financing activities		
Drawdown of other bank borrowings	1,064,743	833,456
Repayment of other bank borrowings	(1,084,386)	(737,306)
Repayment of term loans	(25,832)	(89,970)
Repayment of fixed rate notes	(1,396)	-
Principal elements of lease payments	(22,006)	(16,610)
Dividend paid to non-controlling interests	(6,838)	(5,688)
Net cash used in financing activities	(75,715)	(16,118)
Net changes in cash and cash equivalents	77,585	86,129
Currency translation differences	3,596	1,213
Cash and cash equivalents at beginning of the financial year	305,495	218,153
Cash and cash equivalents at end of the financial year	386,676	305,495

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Financial Year Ended 31 December 2023 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2022 Audited RM'000
Cash and cash equivalents at the end of the financial year comprise of the following:		
Time deposits	103,181	53,081
Cash and bank balances	307,163	275,929
Subtotal	410,344	329,010
Less:		
Time deposits with maturity more than 3 months	(23,668)	(23,515)
	<u>386,676</u>	<u>305,495</u>

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

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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.

Effective from financial year beginning on or after 1 January 2023

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the revised amendments did not have any significant impact on the financial position and results of the Group.

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

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

The Group is in the process of assessing the full impact of the above amendments on the financial position and results of the Group.

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

There were no material items affecting assets, liabilities, equity, net income, or cash flows for the financial period/year that were unusual due to their nature, size, or incidence.

5. Changes in estimates

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

6. Debt and equity securities

During the fourth quarter of 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 December 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/year ended 31 December 2023.

7. Dividends

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

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8. Segment information

	Energy Services RM'000	Bioenergy Services RM'000	Others RM'000	Total RM'000
RESULTS				
<u>Financial year ended 31 December 2023</u>				
Revenue	2,316,817	288,844	17,034	2,622,695
Less: Inter-segment revenue	-	-	(17,007)	(17,007)
External revenue	<u>2,316,817</u>	<u>288,844</u>	<u>27</u>	<u>2,605,688</u>
Segment profit/(loss)	216,197	47,867	(8,311)	255,753
Share of results of associates	-	-	16,307	16,307
Share of results of joint ventures	<u>1,083</u>	<u>571</u>	<u>(13,423)</u>	<u>(11,769)</u>
	217,280	48,438	(5,427)	260,291
Unallocated expenses relating to financing activities				(24,148)
Unallocated corporate expenses				<u>(17,887)</u>
Profit before tax				<u><u>218,256</u></u>

Notes:

- 1) The operating segments of the Group have been restructured to reflect the current management and operational structure. Correspondingly the comparative presentations have been reclassified.
- 2) Pursuant to MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Trading business was classified as "Discontinued Operations" in the Condensed Consolidated Statements of Profit or Loss, and as "Assets/Liabilities of disposal group classified as held for sale" in the Condensed Consolidated Statements of Financial Position, respectively. Refer Note 11 for further details.

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8. Segment information (continued)

	Energy Services RM'000	Bioenergy Services RM'000	Others RM'000	Total RM'000
TOTAL ASSETS				
<u>As at 31 December 2023</u>				
Segment assets	2,336,237	227,185	45,566	2,608,988
Investment in associates	-	-	112,742	112,742
Investment in joint ventures	3,578	4,460	12,142	20,180
Assets classified as held for sale	-	7,300	4,790	12,090
	<u>2,339,815</u>	<u>238,945</u>	<u>175,240</u>	<u>2,754,000</u>
Unallocated corporate assets				
- Assets of disposal group classified as held for sale				120,181
- Deferred tax assets				26,719
- Tax recoverable				15,478
- Cash and cash equivalents				22,491
- Others				664
				<u>2,939,533</u>

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8. Segment information (continued)

	Energy Services RM'000	Bioenergy Services RM'000	Others RM'000	Total RM'000
OTHER INFORMATION				
<u>Financial year ended 31 December 2023</u>				
Depreciation of:				
- Property, plant and equipment	47,148	2,293	1,152	50,593
- Investment properties	-	-	196	196
- Right-of-use assets	24,618	67	920	25,605
Additions of:				
- Property, plant and equipment	120,059	3,932	3,519	127,510
Loss/(Reversal) of impairment on:				
- Property, plant and equipment	1,847	-	-	1,847
- Investment properties	-	-	19	19
- Receivables	(4,490)	(1,285)	-	(5,775)
- Amount owing from associate	(10,216)	-	-	(10,216)
- Amount owing from joint venture	8,065	-	-	8,065
Reversal on slow moving and obsolete inventories	(201)	(712)	-	(913)
Write-off on:				
- Property, plant and equipment	4	5	120	129
- Receivables	105	1	-	106
- Inventories	236	157	-	393
Interest income	(2,461)	(683)	(874)	(4,018)
Interest expense				
- Loans and borrowings	21,816	903	240	22,959
- Lease liabilities	11,523	-	107	11,630

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8. Segment information (continued)

	Energy Services RM'000	Bioenergy Services RM'000	Others RM'000	Total RM'000
OTHER INFORMATION				
<u>Financial year ended 31 December 2023</u>				
Revenue comprise of:				
- Revenue from contracts with customers	2,295,538	288,844	-	2,584,382
- Revenue from other sources	21,279	-	27	21,306
	<u>2,316,817</u>	<u>288,844</u>	<u>27</u>	<u>2,605,688</u>
Revenue from contracts with customers is represented by:				
Timing of revenue recognition				
- Over time	2,028,474	127,986	-	2,156,460
- At a point in time	267,064	160,858	-	427,922
	<u>2,295,538</u>	<u>288,844</u>	<u>-</u>	<u>2,584,382</u>

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8. Segment information (continued)

	Energy Services RM'000	Bioenergy Services RM'000	Trading RM'000	Others RM'000	Total RM'000
RESULTS					
<u>Financial year ended 31 December 2022 (Re-presented*)</u>					
Revenue	2,062,317	266,555	-	50,224	2,379,096
Less: Inter segment revenue	-	-	-	(13,015)	(13,015)
External revenue	2,062,317	266,555	-	37,209	2,366,081
Segment profit/(loss)	115,523	36,301	-	(26,435)	125,389
Share of results of associates	(12,774)	-	-	1,160	(11,614)
Share of results of joint ventures	(6,025)	447	-	(5,758)	(11,336)
	96,724	36,748	-	(31,033)	102,439
Unallocated expenses relating to financing activities					(15,148)
Unallocated corporate expenses					(12,408)
Profit before tax					74,883
TOTAL ASSETS					
<u>As at 31 December 2022</u>					
Segment assets	2,075,270	165,222	146,745	54,274	2,441,511
Investment in associates	-	-	298	101,520	101,818
Investment in joint ventures	3,546	3,890	-	25,264	32,700
Assets classified as held for sale	-	-	-	16,171	16,171
Assets of disposal group classified as held for sale	-	-	-	24,659	24,659
	2,078,816	169,112	147,043	221,888	2,616,859
Unallocated corporate assets					
- Deferred tax assets					50,117
- Tax recoverable					10,590
- Cash and cash equivalents					11,432
- Others					24,452
					2,713,450

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8. Segment information (continued)

	Energy Services RM'000	Bioenergy Services RM'000	Trading RM'000	Others RM'000	Total RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2022 (Re-presented*)</u>					
Depreciation of:					
- Property, plant and equipment	40,057	57	-	1,064	41,178
- Investment properties	-	-	-	223	223
- Right-of-use assets	26,550	67	-	953	27,570
Additions of:					
- Property, plant and equipment	34,009	2,049	169	418	36,645
Impairment loss/(Reversal of impairment loss) on:					
- Receivables	5,488	1,453	-	-	6,941
- Amount owing from associate	21,378	-	-	(108)	21,270
- Investment in associate	39,537	-	-	-	39,537
- Investment in joint venture	8,989	-	-	-	8,989
Allowance on slow moving and obsolete inventories	2,610	-	-	-	2,610
Write-off on:					
- Property, plant and equipment	893	14	-	1	908
- Inventories	75	385	-	-	460
- Receivables	71	25	-	23	119
Interest income	(2,313)	(473)	-	(526)	(3,312)
Interest expense					
- Loans and borrowings	15,274	1,113	-	131	16,518
- Lease liabilities	11,576	-	-	53	11,629

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8. Segment information (continued)

	Energy Services RM'000	Bioenergy Services RM'000	Trading RM'000	Others RM'000	Total RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2022 (Re-presented*)</u>					
Revenue comprise of:					
- Revenue from contracts with customers	2,057,822	266,555	-	37,183	2,361,560
- Revenue from other sources	4,495	-	-	26	4,521
	<u>2,062,317</u>	<u>266,555</u>	<u>-</u>	<u>37,209</u>	<u>2,366,081</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	1,903,932	146,198	-	-	2,050,130
- At a point in time	153,890	120,357	-	37,183	311,430
	<u>2,057,822</u>	<u>266,555</u>	<u>-</u>	<u>37,183</u>	<u>2,361,560</u>

** Refer Note 11 for further details.*

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9. Events after the reporting period

There were no material events subsequent to the financial year ended 31 December 2023.

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

There were no material change in the composition of the Group during the current quarter and financial year ended 31 December 2023, except the following:

i. MEMBER'S VOLUNTARY WINDING UP OF JUTASAMA JAYA SDN. BHD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Company had on 30 October 2023 announced that Jutasama Jaya Sdn. Bhd. [Registration No. 199301017394 (272132-T)] ("JJSB"), an indirect wholly-owned subsidiary of the Company, had at its Extraordinary General Meeting held on 30 October 2023 inter-alia, approved the special resolution to wind up JJSB by way of the Member's Voluntary Winding Up by its shareholder ("Member's Voluntary Winding Up").

In order to facilitate the Member's Voluntary Winding Up, Mr. Ng Eng Kiat and Mr. Leong Kok Tong of Folks Corporate Services Sdn. Bhd. [Registration No. 199501019896 (349099-U)] ("Folks") of Suite 1102, 11th Floor, Wisma Tun Sambanthan, No. 2, Jalan Sultan Sulaiman, 50000 Kuala Lumpur had been appointed as the Liquidators for JJSB.

JJSB was incorporated on 2 August 1993 under the Malaysian Companies Act, 1965 with its total issued and paid up share capital of RM200,004.00 comprising 200,004 ordinary shares. JJSB was principally involved in the dealing of material, labour, painting and delivery of steel structures. JJSB is directly wholly-owned by Wasco Process Engineering Sdn. Bhd. (formerly known as Jutasama Sdn. Bhd.) [Registration No. 198301000398 (95631-H)], a direct wholly-owned subsidiary of the Company.

ii. MEMBER'S VOLUNTARY WINDING UP OF WAH SEONG MANAGEMENT SERVICES SDN. BHD., A DIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Company had on 12 December 2023 announced that Wah Seong Management Services Sdn. Bhd. [Registration No. 201701021376 (1235542-M)] ("WSMS"), a direct wholly-owned subsidiary of the Company, had at its Extraordinary General Meeting held on 12 December 2023 inter-alia, approved the special resolution to wind up WSMS by way of the Member's Voluntary Winding Up by its shareholder ("Member's Voluntary Winding Up").

In order to facilitate the Member's Voluntary Winding Up, Mr. Ng Eng Kiat and Mr. Leong Kok Tong of Folks Corporate Services Sdn. Bhd. [Registration No. 199501019896 (349099-U)] ("Folks") of Suite 1102, 11th Floor, Wisma Tun Sambanthan, No. 2, Jalan Sultan Sulaiman, 50000 Kuala Lumpur had been appointed as the Liquidators for WSMS.

WSMS was incorporated on 16 June 2017 under the Malaysian Companies Act, 2016 with its total issued and paid up share capital of RM2,551,000.00 comprising 2,551,000 ordinary shares. WSMS was principally involved in the provision of management support services and business management consultancy services.

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

There were no material change in the composition of the Group during the current quarter and financial year ended 31 December 2023, except the following: (continued)

iii. ACQUISITION OF 24.9% EQUITY INTEREST IN ISOAF S.R.L BY WASCO COATINGS EUROPE B.V., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY FROM ISOPLUS FERNWÄRMETECHNIK GESELLSCHAFT M.B.H

Wasco Coatings Europe B.V. (Company No. 08134516) ("WCEu"), an indirect wholly-owned subsidiary of the Company had on 19 December 2023 acquired 24.9% equity interest in the share capital of ISOAF S.r.L (Company No.: MI – 2631024) ("ISOAF") from Isoplus Fernwärmetechnik Gesellschaft M.B.H (Company No. FN97211h) ("ISOPLUS"), a company incorporated under the laws of Austria and having its registered office address at Furthoferstraße 1a, 3192 Hohenberg, Austria for a total consideration of EUR1,000,000.00 only ("Acquisition of ISOAF Shares").

Upon completion of the Acquisition of ISOAF Shares, ISOAF shall become a 75%-owned subsidiary of WCEu and an indirect subsidiary of the Company accordingly.

The Acquisition of ISOAF Shares was not expected to have any material effect on the earnings, net assets and gearing of the Company for the financial year ended 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 ISOAF Shares.

iv. SURRENDERING OF 65% EQUITY INTERESTS HELD IN ASHBURN INTERNATIONAL TRADE (TIANJIN) CO. LTD. AND ASHBURN OFFSHORE OIL & GAS EQUIPMENT & ENGINEERING (TIANJIN) CO. LTD. BY WASCO CHINA INTERNATIONAL LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

Wasco China International Limited (Company No. 830265) ("WCIL"), an indirect wholly-owned subsidiary of the Company had on 21 December 2023 surrendered 260,000 ordinary shares, representing 65% equity interest in the total issued share capital of Ashburn International Trade (Tianjin) Co. Ltd. (Company No. 91120116600531331L) ("Ashburn International") and 552,500 ordinary shares, representing 65% equity interest in the total issued share capital of Ashburn Offshore Oil & Gas Equipment & Engineering (Tianjin) Co. Ltd. (Company No. 91120111679404705E) ("Ashburn Offshore") respectively ("Surrendering of Ashburn Shares").

In consideration for the Surrendering of Ashburn Shares, Ashburn International and Ashburn Offshore shall repay the entire capital contribution by WCIL totaling RMB5,010,239.05 and RMB3,489,760.95 respectively, collectively amounting to RMB8,500,000.00.

Upon completion of the Surrendering of Ashburn Shares, Ashburn International and Ashburn Offshore shall both cease to be 65%-owned subsidiaries of WCIL.

The Surrendering of Ashburn Shares was not expected to have any material effect on the earnings, net assets and gearing of the Company for the financial year ended 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 Surrendering of Ashburn Shares.

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11. Significant events during the reporting period

During the financial year, the Group has decided to exit from its Trading business. Pursuant to MFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the Trading segment was classified as “Discontinued Operations” in the Condensed Consolidated Statements of Profit or Loss, and as “Assets/Liabilities of disposal group classified as held for sale” in the Condensed Consolidated Statements of Financial Position, respectively.

Accordingly, the Condensed Consolidated Statements of Profit or Loss of the preceding corresponding financial period/year ended 31 December 2022 was re-presented to reflect the discontinued activities.

There were no other significant events during the current quarter and financial year ended 31 December 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:

Approved and contracted for

**As at
31 December
2023
RM'000**

47,037

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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 year ended 31 December 2023

Energy Services Segment

The Energy Services Segment's external revenue for the fourth quarter and financial period ended 31 December 2023 were RM722.5 million and RM2.3 billion respectively, compared with RM610.9 million and RM2.1 billion in the corresponding periods in 2022. The segment registered a profit before tax of RM90.4 million and RM217.3 million respectively, compared with loss before tax of RM28.4 million and profit before tax of RM96.7 million in the corresponding period in 2022.

The segment has recorded a higher revenue in the current periods under review as it continues to execute projects from its strong order backlog. Better margin from the project mix executed and the absence of any significant impairments contributed to the higher profit being recognized for the current quarter and financial year.

Bioenergy Services Segment

The Bioenergy Services Segment's external revenue for the fourth quarter and financial year ended 31 December 2023 were RM78.5 million and RM288.8 million respectively, compared with RM85.6 million and RM266.6 million in the corresponding periods in 2022. The profit before tax were RM14.0 million and RM48.4 million respectively, as compared with RM12.5 million and RM36.7 million in the corresponding periods in 2022.

The division had an increase in revenue for the year under review was driven by a rise in biomass energy boiler projects, improved industrial boiler sales and increased sales of steam turbines and other agro-tech equipment. This together with project mix that had better margin contributed to a higher profit in the current periods under review.

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 RM85.9 million in the current quarter, compared with RM48.6 million in the previous quarter. The increase in profit was attributed to higher revenue recognized in the quarter as a result of higher number of projects executed. In addition, project mix with better margin had also contributed to the higher profit.

16. Prospects

The Group's order book stood at RM3.1 billion, comprising RM2.9 billion in the Energy Services segment and RM263.4 million in the Bioenergy Services segment. The order book of the Group has remained strong and it is expected to continue generating positive results for the Group in the coming quarters.

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17. Profit/(Loss) before tax

	Current Quarter Ended 31 December 2023 RM'000	Preceding Year Corresponding Quarter Ended 31 December 2022 RM'000 (Re-presented*)	Current Financial Year Ended 31 December 2023 RM'000	Preceding Corresponding Financial year Ended 31 December 2022 RM'000 (Re-presented*)
Profit/(Loss) before tax is stated after charging/(crediting) the following items:				
Interest income	(2,046)	(1,376)	(4,018)	(3,312)
Depreciation and amortisation	21,132	15,110	76,394	68,971
Loss/(Reversal) of impairment on receivables - net	757	(4,397)	(5,775)	6,941
(Reversal)/Loss of impairment on amount owing from associate	(103)	(21,270)	(10,216)	21,270
Impairment loss on amount owing from joint venture	81	-	8,065	-
Impairment loss on property, plant and equipment	1,847	-	1,847	-
Impairment loss on investment properties	-	-	19	-
Impairment loss on investment in joint venture	-	8,989	-	8,989
Impairment loss on investment in associate	-	39,537	-	39,537
(Reversal)/Allowance on slow moving and obsolete inventories - net	(4,728)	2,767	(913)	2,610
Write-off on property, plant and equipment	-	559	129	908
Write-off on inventories	-	463	393	460
Write-off on receivables	-	-	106	119
Net foreign exchange loss/(gain)	7,192	3,903	(2,738)	(4,910)
Gain on disposal of assets held for sale	(14,846)	-	(23,095)	(5,150)

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.

* Refer Note 11 for further details.

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18. Taxation

Taxation comprises the following:

	Current Quarter Ended 31 December 2023 RM'000	Financial Year Ended 31 December 2023 RM'000
Tax expense		
- Malaysian tax	23,787	41,281
- Foreign tax	4,853	26,852
	<u>28,640</u>	<u>68,133</u>

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

	Current Quarter Ended 31 December 2023 RM'000	Financial Year Ended 31 December 2023 RM'000
Profit before tax	<u>85,922</u>	<u>218,256</u>
Tax expense at the statutory tax rate – 24%	20,621	52,381
Other tax adjustments	<u>8,019</u>	<u>15,752</u>
Taxation	<u>28,640</u>	<u>68,133</u>

19. Profit forecast

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

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20. Group's borrowings

	As at 31 December 2023 RM'000
<u>Unsecured</u>	
Short-term borrowings	
Revolving credits	452,028
Term loans	32,248
Trade financing	147,449
Fixed rate notes	20,321
	<hr/> 652,046
Long-term borrowings	
Term loans	50,916
	<hr/>
Total borrowings	<hr/> 702,962 <hr/>

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

United States Dollar	499,125
Ringgit Malaysia	184,816
Australian Dollar	15,506
Singapore Dollar	3,515
	<hr/> 702,962 <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 year ended 31 December 2023 are as follows:

	Current Quarter Ended 31 December 2023 RM'000	Preceding Year Corresponding Quarter Ended 31 December 2022 RM'000	Financial Year Ended 31 December 2023 RM'000	Preceding Corresponding Financial Year Ended 31 December 2022 RM'000
<u>Forward currency contracts</u>				
Balance as at				
- 1 January	-	-	(2,545)	(398)
- 1 October	(1,060)	(662)	-	-
 Fair value loss recognised in profit or loss				
- Continuing operations	(1,394)	585	(1,374)	(2,422)
- Discontinued operations	(1,083)	(2,485)	398	278
Reclass to assets of disposal group classified as held for sale	(396)	-	(396)	-
Effect of changes in exchange rate	(13)	17	(29)	(3)
Balance as at 31 December	<hr/> (3,946) <hr/>	<hr/> (2,545) <hr/>	<hr/> (3,946) <hr/>	<hr/> (2,545) <hr/>

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21. Fair value of financial instruments (continued)

	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Represented by:		
Derivative financial assets	154	82
Derivative financial liabilities	(4,100)	(2,627)
	(3,946)	(2,545)

Fair value hierarchy

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

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

	<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 December 2023</u>				
<u>Financial assets</u>				
Derivative financial assets	-	154	-	154
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(4,100)	-	(4,100)

Valuation techniques used to derive Level 2 fair values

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

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

22. Material litigation

There were no material litigations pending 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/year divided by the weighted average number of ordinary shares after adjusting for movements in treasury shares in the same financial quarter/year:

	Current Quarter Ended 31 December 2023	Preceding Year Corresponding Quarter Ended 31 December 2022	Current Financial Year Ended 31 December 2023	Preceding Corresponding Financial Year Ended 31 December 2022
Net profit/(loss) attributable to the owners of the Company (RM'000)	35,223	(48,243)	108,402	(6,300)
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)	4.55	(6.23)	14.00	(0.81)

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 27 February 2024.

FOR IMMEDIATE RELEASE

27 FEBRUARY 2024

WASCO REGISTERS STRONG Q4 EARNINGS TO CLOSE YEAR ON HIGH

Net Profit More Than Tripled To 154.8 Million, Reflecting Robust Growth

- FY2023 performance showcased significant improvements, with revenue at RM2.60 billion, PBT at RM218.3 million, and PAT at RM154.8 million, driven by a substantial order book of RM3.14 billion, with the Energy segment contributing 92% and Bioenergy holding 8%.
- Return on equity improved over 100% to 15% compared to FY2022.
- Strong FY2023 EBITDA of RM344.8 million, a 66.7% increase from the previous year.
- Energy segment's PBT surged by 124.6%, on the back of stronger demand for our services, while Bioenergy segment's PBT increased by 29.7% from increased orders in its steam turbines and boilers.
- Energy transitioning projects contributed a notable 7%, reflecting the industry pivoting towards sustainability.

KUALA LUMPUR, 27 February – Wasco Berhad ("Wasco" or the "Group"), (formerly known as Wah Seong Corporation Berhad), a prominent provider of energy solutions released its unaudited fourth quarter results ("Q4FY2023"), and recorded a strong set of financial results for the year ended 31 December 2023 ("FY2023"), which saw the Group posting net profit of RM154.8mil a surge of almost tripled on a year-on-year ("Y-o-Y") basis, compared to RM43.1 million for FY2022.

Q4 FY2023 Results

The Group registered a revenue of RM801.0 million for Q4 FY2023; 2.2% higher than the immediate preceding quarter at RM783.9 million and 13.21% higher Y-o-Y than the same quarter in FY2022 of RM707.5 million.

Profit Before Tax ("PBT") for Q4 FY2023 stood at RM85.9 million; a 76.7% increase compared to the preceding quarter at RM48.6 million, and a nearly threefold increase compared to the same quarter in FY2022. The increase in profit was attributed to higher revenue recognised in the quarter as a result of a higher number of projects executed. The synergy of these factors, coupled with a project mix boasting better margins, played a crucial role in achieving higher profitability.

The Group's order book stood at RM3.1 billion, comprising RM2.9 billion in the Energy Services segment and RM263.4 million in the Bioenergy Services segment. The order book of the Group has remained strong and it is expected to continue generating positive results for the Group in the coming quarters.

The **Energy Services Segment's** revenue for the Q4FY2023 stood at RM722.5 million compared with RM610.9 million in the corresponding period in 2022. While the **Bioenergy Services Segment's** revenue for Q4FY2023 stood at RM78.5 million compared with RM85.6 million in the corresponding period in 2022.

FY2023 Full Year Results & Performance

Both of Wasco's Energy Services and Bioenergy Services business segments registered revenue and profit growth for the year, resulting in revenue of RM2.6 billion and PBT of RM218.3 million which represents a Y-o-Y increase of 10.1% and more than 100% compared to FY2022's RM 2.4 billion and RM 74.8 million respectively. In FY2023, the Group also booked in profits of RM154.8 million.

As at end-2023, Wasco's net gearing reduced to below 0.5x, which has put the Group's balance sheet on solid footing. As a result of increasing profitability for the Group, return on equity improved over 100% to 15% compared to FY2022.

The **Energy Services Segment** of the Group achieved a remarkable 12.4% Y-o-Y growth in full-year revenue, reaching RM2.3 billion. This substantial increase can be primarily attributed to the successful acquisition of new contracts secured. Additionally, the segment demonstrated commendable financial performance with a PBT surging to RM217.3 million in FY2023, marking more than 100% increase. This notable growth is attributed to higher revenue generated through efficient project execution from a robust order backlog.

Wasco's **Bioenergy Services division** recorded a respectable performance in terms of both revenue and PBT, registering a Y-o-Y increase of 8.2% to RM288.8 million and 29.7% to RM48.4 million in revenue and PBT respectively, despite challenges faced in the operating environment. The division witnessed an uptick in revenue for the year under review, primarily fuelled by the increase in biomass energy boiler projects, enhanced industrial boiler sales, and a growing demand for steam turbines and other agro-tech equipment. The synergy of these factors, coupled with a project mix boasting better margins, played a crucial role in achieving higher profitability.

Outlook for FY2024

Wasco concluded the year with a robust order book across all business divisions, maintaining a work-in-hand of RM3 billion as of the end of FY2023. Emphasising its commitment to energy transition initiatives, the group has an order backlog of RM203 million in energy transitioning projects which includes the coating of pipelines for the carbon capture and storage sector. The Group recently upgraded its UK pipe coating facility at the Port of Hartlepool to offer additional coating services from the buoyant demand from this sector. This upgrade is set to conclude in March 2024, followed by a testing phase, with full-scale production commencing in April 2024. The Group recently secured the first CCS pipeline project in the UK last year, to supply coating services for the Porthos Project.

-ends-



About Wasco Berhad (formerly known as Wah Seong Corporation Berhad)

Wasco Berhad (www.wascoenergy.com), established in 1999, is a prominent provider of energy solutions group with a global presence across 17 countries. The Group's core strengths lie in two distinct divisions. The **Energy Services Division** specializes in advanced pipe coating, corrosion protection, engineering, and EPC project delivery. Complementing this, the **Bioenergy Services Division** focuses on biomass energy generation, catering to a varied sector including plantations, petchem, oleochemicals and large industrial players.

As a Main Market-listed entity on Bursa Malaysia Securities Berhad (KLSE: WASCO), Wasco emphasizes sustainability and environmental responsibility. The organization has set a bold target to achieve net-zero carbon emissions throughout its operations by 2026. Wasco's decarbonization strategy begins with reducing emissions in its operations and supply chains, coupled with the ability to offset emissions.

Wasco recognizes the crucial importance of investing in the protection and restoration of the natural ecosystems, particularly forests, which play a vital role in sequestering carbon dioxide through photosynthesis. These efforts not only contribute to the preservation of the natural world and its rich biodiversity but also serve as a medium-term solution for offsetting emissions. Nature-based projects generate carbon credits, which are instrumental in our journey to achieve net-zero emissions by 2026.

A significant part of this commitment revolves around the 'Wasco Forest' initiative. Launched in 2021, this tree planting program in Malaysia is designed to generate carbon removal offsets, effectively reducing emissions from the Group's activities.

Beyond this dedication to environmental responsibility, Wasco is resolute in its commitment to energy transition within the oil and gas sector. Recognizing that a successful transition necessitates collaboration between the public and private sectors, Wasco actively seeks strategic partnerships. The Group envisions driving growth within regional green value-chains, leveraging local expertise and capabilities to shape a more sustainable future for the energy industry.

Issued by **Wasco Berhad** (formerly known as Wah Seong Corporation Berhad). For media enquiries, please contact Juliana Jamaluddin (juliana.jamaluddin@wascoenergy.com) / +60 12-340 9438) or Elinar Yasmeeen (elinar.yasmeeen@wascoenergy.com / +60 12-903 0342).