WAH SEONG CORPORATION BERHAD
Registration No. 199901020946 (495846-A)

STOCK NAME	**:**	**WASEONG**
TYPE	**:**	**GENERAL ANNOUNCEMENT**
SUBJECT	**:**	**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) - NON-RELATED PARTY TRANSACTIONS**
DESCRIPTION	**:**	**WAH SEONG CORPORATION BERHAD ("WSC" OR "COMPANY") - ACQUISITION OF 100% EQUITY INTERESTS IN MMA OFFSHORE HOLDINGS PTE. LTD. AND MMA OFFSHORE INVESTMENTS PTE. LTD. RESPECTIVELY BY WASCO ENGINEERING GROUP LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

1.0 INTRODUCTION

The Board of Directors of WSC wishes to announce that Wasco Engineering Group Limited ("**WEGL**" or "**Purchaser**"), an indirect wholly-owned subsidiary of the Company has on 29 April 2022 entered into a Share Sale Agreement ("**SSA**") with MMA Offshore Asia Pte. Ltd. ("**MMA Offshore Asia**"), for the acquisition of 100% equity interests in the following companies as detailed below for a total consideration of USD15,000,000 (equivalent to RM65,397,000 based on the exchange rate of USD1.00 to RM4.3598) only ("**Purchase Price**"), subject to the terms and conditions as stipulated in the SSA ("**Sale Shares**"):

Name of companies	No. of Shares	Percentage (%)
MMA Offshore Holdings Pte. Ltd. ("**MMA Offshore Holdings**")	500,000	100.00
MMA Offshore Investments Pte. Ltd. ("**MMA Offshore Investments**")	500,000	100.00

Pursuant to the SSA, upon completion of the Sale Shares, PT Jaya Asiatic Shipyard ("**PT Jaya**"), a subsidiary of MMA Offshore Holdings and MMA Offshore Investments shall become an indirect wholly-owned subsidiary of WEGL. PT Jaya is the lawful holder of right over the land and buildings granted by the Batam Island Industrial Region Development Authority (**Registered Lease Owner**) comprising three plots of land with the land areas and lease expiry dates as detailed below ("**Land**"). These plots of land are situated at Jalan Brigjen Katamso KM 6, Tanjung Uncang, Batam 29424, Indonesia ("**Batam Yard**"):

Land Parcel	Land Area	Lease Expiry Date
Plot #1 (in accordance with Allocation of Land Agreement No. 246/SPJ/KA-AT/XI/93)	130,138.62 m^2	21 April 2043
Plot #2 (in accordance with Allocation of Land Agreement No. 13/PERJ-DDOPS/L/3/2009)	30,900.00 m^2	28 February 2046
Plot #3 (in accordance with Allocation of Land Agreement No.460/SPJ/KD-AT/L/VIII/2006)	20,000.22 m^2	2 November 2048

Currently, the premises at Batam Yard ("**Premises**") is occupied by PT Wasco Engineering Indonesia ("**PTWEI**"), an indirect subsidiary of WEGL via a Lease Agreement entered into between PT Jaya and PTWEI dated 15 April 2021 ("**Lease Agreement**"). (PT Jaya and PTWEI are collectively referred to as the "**Parties**").

2. INFORMATION ON BATAM YARD

PT Jaya is the registered lease owner of Batam Yard. The details of the buildings and structures erected at the Batam Yard ("**Property**") are as follows:

No.	Description	Occupied Area	Existing / Proposed Usage	Approximately age of the building
1.	Workshop A	900 m²	Warehouse / Industry	27 Years (Construction Year - 1995)
2.	Workshop B	3,600 m²		
3.	Workshop C	3,600 m²		
4.	Main Office 2 Floor	1,440 m²	Office	
5.	Office 1 Floor	64 m²		
6.	Blasting Chamber	180 m²	Warehouse / industry	
7.	Painting Chamber	100 m²		
8.	Waste Building 1	100 m²		
9.	Waste Building 2	120 m²		
10.	Finger Print Building	189 m²		
11.	Guardhouse	26 m²	Supporting Facility	
12.	Toilet 1	12 m²		
13.	Toilet 2	28 m²		
14.	Toilet 3	18 m²		
15.	Substation 1	24 m²		
16.	Substation 2	54 m²		
17.	Substation 3	28 m²		
18.	Small Workshop	168 m²	Warehouse / industry	
19.	Jetty	760 m²	Supporting Facility	
20.	Pavement	15,491 m²		

Further details of the Land and Property which are leased to PTWEI by PT Jaya are as follows:-

	Land	Property
a. Tenure	Expiring 15 April 2024	Expiring 15 April 2024
b. Encumbrance	No	No
c. Net Book Value (last audited as at 31 December 2020)	USD 211,847	Not applicable
d. Net profit attributable to the assets	USD 724,400	Not applicable
e. The percentage of occupancy	100%	100%
f. Lease rental payable under the lease tenure	USD 2,238,783.34	Not applicable

Upon the expiry of the existing lease term, the Land and Property will continue to be used by PTWEI to execute its current and future projects.

3.0 INFORMATION ON WEGL, MMA OFFSHORE ASIA, MMA OFFSHORE HOLDINGS, MMA OFFSHORE INVESTMENTS, PT JAYA AND PTWEI

3.1 WEGL

WEGL (Company Registration No. 143299) was incorporated in British Virgin Islands on 28 February 1995 and having its registered address at Woodbourne Hall, Skelton Bldg, P.O. Box 3162, Road Town, Tortola, VG1110, British Virgin Islands. The total issued and paid-up share capital of WEGL is USD30,000,000 comprising 30,000,000 ordinary shares of USD1.00 each. WEGL is principally engaged in investment holding.

3.2 MMA OFFSHORE ASIA

MMA Offshore Asia (Company Registration No. 200715016C) was incorporated in Singapore on 15 August 2007 and having its registered office at 15-02 Republic Plaza, 9 Raffles Place, Singapore 048619. MMA Offshore Asia has a total issued and paid-up share capital of (1) AUD786,239,970.82 comprising 786,250,437 ordinary shares and (2) SGD1.00 comprising 1 ordinary share and is a wholly-owned subsidiary of MMA Offshore Limited (Company Registration No. T07UF3339G), a company incorporated in Australia. MMA Offshore Asia is principally engaged in offshore marine services.

The Directors of MMA Offshore Asia are David Colin Ross, David Luke Cavanagh, and Heng Chiang Gnee.

3.3 MMA OFFSHORE HOLDINGS

MMA Offshore Holdings (Company Registration No. 199408650Z), a wholly-owned subsidiary of MMA Offshore Asia was incorporated in Singapore on 26 November 1994 and having its registered office at 8 Cross Street, #08-01/03, Manulife Tower, Singapore 048424. The total issued and paid-up share capital of MMA Offshore Holdings is SGD500,000 comprising 500,000 ordinary shares of SGD1.00 each. MMA Offshore Holdings is principally engaged in investment holding.

3.4 MMA OFFSHORE INVESTMENTS

MMA Offshore Investments (Company Registration No. 199402616R), a wholly-owned subsidiary of MMA Offshore Asia was incorporated in Singapore on 14 April 1994 and having its registered office at 8 Cross Street, #08-01/03, Manulife Tower, Singapore 048424. The total issued and paid-up share capital of MMA Offshore Investments is SGD500,000 comprising 500,000 ordinary shares of SGD1.00 each. MMA Offshore Investments is principally engaged in investment holding.

3.5 PT JAYA

PT Jaya (Company Registration No. 33.10.1.30.01875) was incorporated in Indonesia on 27 October 1992 and having its registered office at Jalan Brigjen Katamso KM 6, Tanjung Uncang Batam, Indonesia. The total issued and paid-up share capital of PT Jaya is USD10,554,000 comprising 10,554,000 ordinary shares of USD1.00 each which were fully subscribed proportionately by MMA Offshore Holdings and MMA Offshore Investments of 99% and 1% respectively. PT Jaya is the registered lease owner of Batam Yard.

3.6 PTWEI

PTWEI (Company Registration No. 33.10.09.05773) was incorporated in Indonesia on 28 April 2006 and having its registered office at Jl. Brigjen Katamso Km 5, Tanjung Uncang, Batam 29424, Indonesia. The total issued and paid-up share capital of PTWEI is IDR2,000,000,000 comprising 20,000 ordinary shares of IDR100,000. PTWEI is principally engaged in the provision of engineering, design, fabrication and construction services for the oil and gas industry.

PTWEI is a direct 99.54% owned subsidiary of WS Engineering Technologies Pte. Ltd. (Company Registration No. 200604655K) ("**WETPL**"), a company incorporated in Singapore and having its registered office at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. WETPL is a direct 91.99% owned subsidiary of WEGL. WETPL is principally involved in the engineering and fabrication of oil and gas systems and equipment.

4.0 DETAILS OF THE PROPOSED ACQUISITON OF SALE SHARES

Some salient details of the SSA are as follows:-

a) The Sale Shares are sold (together with all benefits, rights and entitlements attaching thereto) free from all encumbrances upon the terms and conditions as are stipulated in the SSA, for a total consideration of USD15,000,000 (United States Dollars Fifteen Million) only ("**Purchase Price**").

b) The Purchaser shall pay the Purchase Price to MMA Offshore Asia at the earlier of the completion of the Sale Shares or as follows (at the option of the Purchaser):

Instalment Number	Amount (USD$)	Required Timing
1	1,500,000.00	5 May 2022
2	4,000,000.00	29 July 2022
3	5,000,000.00	30 September 2022
4	4,500,000.00	1 December 2022

The Completion Date shall be 31 December 2022 or earlier ("**Completion Date**") as set out below: -

The Purchaser may elect to pay outstanding instalments ahead of the timing requirements prescribed above without any early payment penalty or charges imposed by MMA Offshore Asia. If the Purchaser pays all outstanding instalments above then the Completion Date shall be 20 Business Days after the later of receipt of the final instalment payment and all outstanding instalments at the default interest rate of 10.0% per annum (if any) but Completion Date shall not be after 31 December 2022.

c) MMA Offshore Asia will retain a portion of the Batam Yard and shall have access to the wharf for a period of 5 years after the completion date which is on or before 31 December 2022.

Some salient details of the Lease Agreement are as follows:

a) PT Jaya shall lease the Premises to PTWEI on an "as is, where is" condition on 15 April 2021 ("**Commencement Date**").

b) PTWEI shall only use the Premises for its business interest, specifically for provision of engineering, design, fabrication and construction services for production of platforms, modules, jackets, E-Houses, FPSO / MOPU conversion / ship repair and other fabrication services in oil and gas industry or any other industries where such services or activities could be utilised.

c) The Parties further agree that all existing licenses granted by or to PT Jaya, including but not limited to the permit(s) required for wharf operation, shall remain in place and effect, and that the lease of the Premises to PTWEI shall not, in any manner, affect the validity of such existing licenses of PT Jaya.

d) The term of lease shall be for a period commencing on the Commencement Date and will expire on the earlier of: (i) the 3rd anniversary of the Commencement Date or (ii) upon the terms as are mutually agreed upon between the Parties pursuant to the Lease Agreement.

e) During the lease term, PTWEI shall make payment of lease rental every six (6) months or otherwise as agreed by the Parties in writing, until receipt of the installment payments.

5. SOURCE OF FUNDING

The purchase consideration will be satisfied by cash and will be financed through internally generated funds.

6. BASIS OF ARRIVING AT THE CONSIDERATION FOR THE SALE SHARES

The Purchase Price for the Sale Shares was arrived at after taking into account the independent valuation report of the Batam Yard owned by PT Jaya. The Purchase Price of the Sale Shares is to be satisfied wholly in cash by WEGL.

The independent valuation report was issued by KJPP Aksa, Nelson & Partners on 28 March 2022 based on an on-site inspection on 8 March 2022. The valuation was carried out by applying the following methods by always referring to the Indonesian Valuer Code of Ethics and Indonesian Valuation Standards Edition –VII 2018 issued by Indonesian Society of Appraisers:

- The market approach by comparing the valued asset with other identical or comparable assets for which transaction or offer price information is available.
- The market data comparison method uses information from transactions involving the same or similar assets to the assets being valued to obtain an indication of value.

The Board is of the view that the Purchase consideration is fair and reasonable after taking into account the strategic location of the Batam Yard including its accessibility, suitability and distance from the existing fabrication facilities of WEGL.

7. LIABILITIES TO BE ASSUMED

Save for the obligations arising from the SSA, there are no liabilities, contingent liabilities and guarantees, to be assumed by WSC and/or its subsidiaries ("**WSC Group**") pursuant to the Sale Shares.

8. RATIONALE AND PROSPECT OF THE PROPOSED ACQUISITION OF SALE SHARES

The Batam Yard provides an excellent opportunity for the Group to expand its fabrication facilities with an upgraded loadout capability and a jetty capable of receiving ocean going vessels. The Batam Yard with an upgraded loadout capabilities will allow the Company to bid for, execute and deliver larger fabrication projects globally.

9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION OF SALE SHARES

9.1 Share Capital and Substantial Shareholdings

The proposed acquisition of Sale Shares does not have any effect on the share capital and substantial shareholdings of WSC as the Purchase Price will be satisfied entirely by cash.

9.2 Net Assets ("NA")

The proposed acquisition of Sale Shares does not have material effect on the consolidated NA of WSC Group.

9.3 Earnings

The proposed acquisition of Sale Shares does not have material effect on the earnings of WSC Group.

9.4 Gearings

The proposed acquisition of Sale Shares does not have material effect on the gearings of WSC Group.

10. RISK FACTOR IN RELATION TO THE PROPOSED ACQUISITION OF SALE SHARES

The Board of Directors is not aware of any specific risk arising from the proposed acquisition of the Sale Shares.

11. APPROVALS OF SHAREHOLDERS AND THE RELEVANT GOVERNMENTAL AUTHORITIES

The proposed acquisition of Sale Shares is not subject to the approval of the shareholders of WSC or any governmental authorities.

12. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the directors, major shareholders and/or persons connected to them have any interest, direct or indirect, in the Sale Shares.

13. STATEMENT BY DIRECTOR

The Board of Directors of the Company, having considered all aspects of the Sale Shares, is of the opinion that the Sale Shares is in the best interest of the WSC Group.

14. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Sale Shares is expected to be completed by 4th Quarter 2022.

15. HIGHEST PERCENTAGE RATIO

Pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio applicable to the Share Sales is 11.8%, based on the latest audited consolidated financial statements of WSC for the financial year ended 31 December 2021.

16. DOCUMENTS FOR INSPECTION

A copy of the SSA and the independent valuation report is available for inspection at the registered office of the Company during normal office hours from Mondays to Fridays (except public holidays) at Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur for a period of three (3) months from the date of this announcement.

This announcement is dated 29 April 2022.