

Company name : WASCO BERHAD (Registration No.: 199901020946 (495846-A))
 Stock name : WASCO
 Financial Period Ended : 30 June 2025
 Quarter : 2

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30 June 2025 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 June 2024 Unaudited RM'000	Current Period To-date Ended 30 June 2025 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2024 Unaudited RM'000
Gross revenue	693,846	702,739	1,413,139	1,346,679
Cost of sales	(609,037)	(595,725)	(1,224,602)	(1,101,983)
Gross profit	84,809	107,014	188,537	244,696
Other operating income	15,267	8,207	30,158	52,907
Selling and distribution expenses	(7,039)	(7,663)	(12,830)	(16,111)
Administrative and general expenses	(67,622)	(62,329)	(126,188)	(129,105)
Impairment on non-financial assets	(709)	-	(709)	-
Reversal of impairment on financial assets	17,391	2,076	23,734	3,877
Other gain - net	12,508	720	12,412	2,396
Profit from operations	54,605	48,025	115,114	158,660
Finance costs	(9,981)	(12,990)	(20,074)	(28,316)
Share of results of associates	(4,573)	8,188	(7,233)	7,532
Share of results of joint ventures	(2,588)	1,175	(3,960)	7,607
Profit before tax	37,463	44,398	83,847	145,483
Tax expense	(6,317)	(9,729)	(17,004)	(36,867)
Profit from continuing operations	31,146	34,669	66,843	108,616
Profit/(Loss) from discontinued operations	-	1,783	-	(2,219)
Net profit for the financial period	31,146	36,452	66,843	106,397
Net profit attributable to:				
- Owners of the Company	33,946	35,751	69,383	92,755
- Non-controlling interests	(2,800)	701	(2,540)	13,642
	31,146	36,452	66,843	106,397

Earnings per share				
- Basic earnings per share (sen)	4.38	4.62	8.96	11.98
- Diluted earnings per share (sen)	4.38	4.62	8.96	11.98

(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 2024)

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30 June 2025 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 30 June 2024 Unaudited RM'000	Current Period To-date Ended 30 June 2025 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2024 Unaudited RM'000
Net profit for the financial period	31,146	36,452	66,843	106,397
Other comprehensive expense, net of tax:				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	(6,360)	(2,469)	(5,592)	(4,150)
	(6,360)	(2,469)	(5,592)	(4,150)
Total comprehensive income for the financial period	24,786	33,983	61,251	102,247
Total comprehensive income/(expense) attributable to:				
- Owners of the Company	28,779	33,364	65,191	87,652
- Non-controlling interests	(3,993)	619	(3,940)	14,595
	24,786	33,983	61,251	102,247
Total comprehensive income/(expense) attributable to Owners of the Company arises from:				
- Continuing operations	28,779	31,585	65,191	89,877
- Discontinued operations	-	1,779	-	(2,225)
	28,779	33,364	65,191	87,652

(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 2024)

Company name : WASCO BERHAD (Registration No.: 199901020946 (495846-A))
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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 June 2025 Unaudited RM'000	As at 31 December 2024 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	587,177	552,124
Right-of-use assets	281,012	272,013
Investment properties	6,232	6,289
Goodwill and other intangible assets	148,361	154,543
Deferred tax assets	11,323	11,978
Investment in associates	108,419	122,576
Investment in joint ventures	21,644	26,656
Trade and other receivables	4,410	4,410
Amounts owing by joint ventures	11,733	12,410
	1,180,311	1,162,999
Current Assets		
Inventories	225,956	297,349
Contract assets	221,827	458,204
Trade and other receivables	480,416	608,935
Amounts owing by associates	-	123
Amounts owing by joint ventures	2	142
Tax recoverable	15,966	9,385
Derivative financial assets	2,853	-
Time deposits	73,781	111,456
Cash and bank balances	209,211	241,048
	1,230,012	1,726,642
TOTAL ASSETS	2,410,323	2,889,641
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	(5,647)	(1,455)
Retained profits	351,116	297,219
Equity attributable to owners of the Company	892,535	842,830
Non-controlling interests	92,355	105,295
TOTAL EQUITY	984,890	948,125

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	As at 30 June 2025 Unaudited RM'000	As at 31 December 2024 Audited RM'000
LIABILITIES		
Non-Current and Deferred Liabilities		
Deferred tax liabilities	5,438	3,635
Lease liabilities	230,349	213,809
Trade and other payables	45,000	43,766
Loans and borrowings	123,526	90,541
	<u>404,313</u>	<u>351,751</u>
Current Liabilities		
Lease liabilities	16,849	18,352
Contract liabilities	166,566	330,789
Trade and other payables	479,767	708,500
Provision for warranties	40,345	44,251
Amounts owing to joint ventures	2,669	6,174
Loans and borrowings	284,697	435,010
Current tax liabilities	29,955	32,651
Derivative financial liabilities	272	14,038
	<u>1,021,120</u>	<u>1,589,765</u>
TOTAL LIABILITIES	<u>1,425,433</u>	<u>1,941,516</u>
TOTAL EQUITY AND LIABILITIES	<u>2,410,323</u>	<u>2,889,641</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 2024)

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have not been audited

	----- Attributable to owners of the Company -----					Non-controlling interests	Total equity
	Share capital RM'000	Treasury shares RM'000	Exchange translation reserves RM'000	Retained profits RM'000	Total RM'000	RM'000	RM'000
At 1 January 2025	547,690	(624)	(1,455)	297,219	842,830	105,295	948,125
Net profit/(loss) for the financial period	-	-	-	69,383	69,383	(2,540)	66,843
Other comprehensive expense for the financial period	-	-	(4,192)	-	(4,192)	(1,400)	(5,592)
Total comprehensive (expense)/income for the financial period	-	-	(4,192)	69,383	65,191	(3,940)	61,251
Transaction with owners:							
Dividend paid to owners of the Company	-	-	-	(15,486)	(15,486)	-	(15,486)
Dividend paid to non-controlling interests	-	-	-	-	-	(9,000)	(9,000)
Total transaction with owners	-	-	-	(15,486)	(15,486)	(9,000)	(24,486)
At 30 June 2025	547,690	(624)	(5,647)	351,116	892,535	92,355	984,890

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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 2024	547,690	(624)	13,566	144,174	704,806	115,584	820,390
Net profit for the financial period	-	-	-	92,755	92,755	13,642	106,397
Other comprehensive (expense)/income for the financial period	-	-	(5,103)	-	(5,103)	953	(4,150)
Total comprehensive (expense)/income for the financial period	-	-	(5,103)	92,755	87,652	14,595	102,247
Transaction with owners:							
Disposal of a subsidiary	-	-	-	-	-	(393)	(393)
Total transaction with owners	-	-	-	-	-	(393)	(393)
At 30 June 2024	<u>547,690</u>	<u>(624)</u>	<u>8,463</u>	<u>236,929</u>	<u>792,458</u>	<u>129,786</u>	<u>922,244</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period To-date Ended 30 June 2025 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2024 Unaudited RM'000
Cash flows from operating activities		
Profit/(Loss) before tax:		
Continuing operations	83,847	145,483
Discontinued operations	-	(2,061)
Profit before tax	83,847	143,422
Adjustments for non-operating items:		
Depreciation and amortisation	45,589	47,082
Other non-cash items	(18,367)	(47,989)
Interest expense	20,074	29,690
Interest income	(2,027)	(3,034)
Operating profit before changes in working capital	129,116	169,171
Changes in working capital:		
Net changes in current assets	391,787	55,164
Net changes in current liabilities	(352,292)	(60,792)
Cash generated from operations	168,611	163,543
Interest received	2,027	3,034
Interest paid	(20,074)	(29,690)
Tax paid	(23,807)	(13,456)
Net cash generated from operating activities	126,757	123,431
Cash flows from investing activities		
Purchase of property, plant and equipment	(69,667)	(75,828)
Proceeds from disposal of property, plant and equipment	88	190
Proceeds from disposal of assets held for sale	-	40,000
Dividends received from associates	6,924	9,520
Transfer (to)/from deposits and short term investment	20,630	23,688
Net cash used in investing activities	(42,025)	(2,430)
Cash flows from financing activities		
Drawdown of term loans	65,694	45,396
Repayment of term loans	(20,434)	(17,582)
Drawdown of other bank borrowings	186,182	447,393
Repayment of other bank borrowings	(330,023)	(597,148)
Principal elements of lease payments	(11,765)	(10,237)
Dividend paid to owners of the Company	(15,486)	-
Dividend paid to non-controlling interests	(9,000)	(4,450)
Net cash used in financing activities	(134,832)	(136,628)
Net changes in cash and cash equivalents	(50,100)	(15,627)
Currency translation differences	2,019	(1,985)
Cash and cash equivalents at beginning of the financial period	316,060	386,676
Cash and cash equivalents at end of the financial period	267,979	369,064

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Period To-date Ended 30 June 2025 Unaudited RM'000	Preceding Corresponding Period To-date Ended 30 June 2024 Unaudited RM'000
Cash and cash equivalents at the end of the financial period comprise of the following:		
Time deposits	73,781	142,565
Cash and bank balances	209,211	226,499
Subtotal	282,992	369,064
Less:		
Short term investment	(15,013)	-
	267,979	369,064

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024)

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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 should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024. 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 2024.

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 2024.

The Group decided to divest its trading businesses, namely WDG Resources Sdn. Bhd. and Syn Tai Hung Trading Sdn. Bhd. ("STHT") in the financial year ended 31 December 2023. Pursuant to MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the trading segment was classified as "Discontinued Operations" in the statements of profit or loss, and the associated assets and liabilities of the subsidiaries had been classified as assets and liabilities of disposal group classified as held for sale in the statements of financial position, as presented in the unaudited interim financial statements for the financial period ended 30 June 2024.

In November 2024, the Group decided to liquidate STHT instead of disposing it as there were no offers received. Accordingly, STHT has been classified as continuing operations for the financial year ended 31 December 2024, pursuant to MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", that an abandonment of an operation may only be treated as discontinued only after the abandonment has been completed.

In this unaudited interim financial statements, the comparative figures for the financial period ended 30 June 2024, STHT was not classified as continuing operations as such re-presentation will not have any material impact on the financial position of the Group.

Accounting standards effective from financial year beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
MFRS 18 replaces MFRS 101	Presentation and Disclosure in Financial Statements
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments

The adoption of the revised amendments did not have any significant impact 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.

3. Seasonal or cyclical factors

The Group's operation was not affected by seasonal or cyclical factors.

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4. Unusual items

There were no material items affecting assets, liabilities, equity, net income, or cash flows for the financial periods 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 2025, 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 2025.

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 2025.

7. Dividends

On 28 August 2025, the Board of Directors declared a first interim single tier cash dividend of 3.00 sen per share in respect of financial year ending 31 December 2025. The entitlement date is on 22 September 2025 and the payment date is on 8 October 2025.

Such dividend will be accounted for in equity as an appropriation of retained earnings in the Third Quarter for the financial period ending 30 September 2025. The Directors did not declare any dividend in the corresponding prior financial periods.

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8. Segment information

	Energy Services RM'000	Bioenergy Services RM'000	Others RM'000	Total RM'000
RESULTS				
<u>Financial period ended 30 June 2025</u>				
Revenue	1,287,060	126,234	12,630	1,425,924
Less: Inter-segment revenue	(263)	-	(12,522)	(12,785)
External revenue	<u>1,286,797</u>	<u>126,234</u>	<u>108</u>	<u>1,413,139</u>
Segment profit/(loss)	88,233	13,974	(3,200)	99,007
Share of results of associates	-	-	(7,233)	(7,233)
Share of results of joint ventures	<u>(3,880)</u>	<u>18</u>	<u>(98)</u>	<u>(3,960)</u>
	84,353	13,992	(10,531)	87,814
Unallocated expenses relating to financing activities				(3,429)
Unallocated corporate expenses				<u>(538)</u>
Profit before tax				<u><u>83,847</u></u>

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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 30 June 2025</u>				
Segment assets	1,904,236	254,886	57,733	2,216,855
Investment in associates	-	-	108,419	108,419
Investment in joint ventures	5,610	4,546	11,488	21,644
	<u>1,909,846</u>	<u>259,432</u>	<u>177,640</u>	<u>2,346,918</u>
Unallocated corporate assets				
- Deferred tax assets				11,323
- Tax recoverable				15,966
- Cash and cash equivalents				20,998
- Short term investment				15,013
- Others				105
				<u>2,410,323</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 period ended 30 June 2025</u>				
Depreciation of:				
- Property, plant and equipment	27,867	1,532	483	29,882
- Investment properties	-	-	58	58
- Right-of-use assets	15,490	159	-	15,649
Additions of:				
- Property, plant and equipment	64,068	3,443	2,156	69,667
(Reversal)/Loss of impairment on:				
- Receivables	(1,429)	(33)	(22,026)	(23,488)
- Amount owing from associate	121	-	-	121
- Amount owing from joint venture	(367)	-	-	(367)
- Investment in joint venture	-	-	709	709
(Reversal)/Allowance on slow moving and obsolete inventories	(911)	278	-	(633)
Write-off on:				
- Inventories	305	-	-	305
Interest income	(1,002)	(325)	(700)	(2,027)
Interest expense				
- Loans and borrowings	9,573	1,276	122	10,971
- Lease liabilities	5,658	-	16	5,674

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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 period ended 30 June 2025</u>				
Revenue comprise of:				
- Revenue from contracts with customers	1,286,797	126,234	-	1,413,031
- Revenue from other sources	-	-	108	108
	<u>1,286,797</u>	<u>126,234</u>	<u>108</u>	<u>1,413,139</u>
Revenue from contracts with customers is represented by:				
Timing of revenue recognition				
- Over time	1,195,032	58,874	-	1,253,906
- At a point in time	91,765	67,360	-	159,125
	<u>1,286,797</u>	<u>126,234</u>	<u>-</u>	<u>1,413,031</u>

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8. Segment information (continued)

	Energy Services RM'000	Bioenergy Services RM'000	Others RM'000	Total RM'000
RESULTS				
<u>Financial period ended 30 June 2024</u>				
Revenue	1,226,707	119,959	9,448	1,356,114
Less: Inter segment revenue	-	-	(9,435)	(9,435)
External revenue	<u>1,226,707</u>	<u>119,959</u>	<u>13</u>	<u>1,346,679</u>
Segment profit/(loss)	124,356	45,578	(29,314)	140,620
Share of results of associates	-	-	7,532	7,532
Share of results of joint ventures	6,324	(23)	1,306	7,607
	<u>130,680</u>	<u>45,555</u>	<u>(20,476)</u>	<u>155,759</u>
Unallocated expenses relating to financing activities				(9,925)
Unallocated corporate expenses				(351)
Profit before tax				<u><u>145,483</u></u>

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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 30 June 2024</u>				
Segment assets	2,278,353	278,968	44,003	2,601,324
Investment in associates	-	-	113,350	113,350
Investment in joint ventures	9,821	4,438	13,635	27,894
Assets classified as held for sale	-	-	4,790	4,790
	<u>2,288,174</u>	<u>283,406</u>	<u>175,778</u>	<u>2,747,358</u>
Unallocated corporate assets				
- Assets of disposal group classified as held of sale				93,438
- Deferred tax assets				20,477
- Tax recoverable				12,736
- Cash and cash equivalents				17,844
- Others				1,504
				<u>2,893,357</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 period ended 30 June 2024</u>				
Depreciation of:				
- Property, plant and equipment	30,816	1,335	439	32,590
- Investment properties	-	-	58	58
- Right-of-use assets	13,205	55	554	13,814
Additions of:				
- Property, plant and equipment	71,898	3,813	117	75,828
Reversal of impairment on:				
- Receivables	(3,293)	(584)	-	(3,877)
Interest income	(1,513)	(518)	(264)	(2,295)
Interest expense				
- Loans and borrowings	11,983	792	-	12,775
- Lease liabilities	5,572	-	44	5,616
	<u> </u>	<u> </u>	<u> </u>	<u> </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 period ended 30 June 2024</u>				
Revenue comprise of:				
- Revenue from contracts with customers	1,226,567	119,959	-	1,346,526
- Revenue from other sources	140	-	13	153
	<u>1,226,707</u>	<u>119,959</u>	<u>13</u>	<u>1,346,679</u>
Revenue from contracts with customers is represented by:				
Timing of revenue recognition				
- Over time	1,118,078	39,693	-	1,157,771
- At a point in time	108,489	80,266	-	188,755
	<u>1,226,567</u>	<u>119,959</u>	<u>-</u>	<u>1,346,526</u>

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9. Events after the reporting period

There were no material events subsequent to the financial period ended 30 June 2025, except the following:

I. DISPOSAL OF 49% EQUITY INTEREST IN SHINKO WASCO TURBINE SDN. BHD. TO SHINKO IND. LTD. BY WASCO AGROTECH SDN. BHD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Company's indirect wholly-owned subsidiary namely Wasco AgroTech Sdn. Bhd. [Registration No. 199101002546 (212857-U)] ("WAT"), a company incorporated pursuant to the Malaysian Companies Act, 1965 and having its registered address at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia had on 7 July 2025 entered into a Share Sale and Purchase Agreement ("SSPA") with Shinko Ind. Ltd. ("Shinko Ind."), a company incorporated in Japan and having its address at 5-7-21, Ohzu, Minami-ku, Hiroshima-shi, Hiroshima-ken, Japan, for the disposal of 1,470,000 ordinary shares, equivalent to 49% equity interest in the issued and paid-up share capital of Shinko Wasco Turbine Sdn. Bhd. [Registration No. 201301014417 (1044256-W)] ("Shinko Wasco"), a company incorporated pursuant to the Malaysian Companies Act, 1965 and having its registered address at Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, for a total consideration of RM4,527,600 only, upon the terms and conditions as stipulated in the SSPA ("Disposal of Shinko Wasco Shares").

With the Disposal of Shinko Wasco Shares, Shinko Wasco ceased to be an indirect 49%-owned joint-venture of the Company accordingly.

The Disposal of Shinko Wasco Shares had been completed and did not have any material effect on the earnings, net assets and gearing of the Company for the financial year ending 31 December 2025.

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 Disposal of Shinko Wasco Shares.

II. MERGER BETWEEN WASCO COATINGS EUROPE B.V. AND TURN KEY PIPELINE SERVICES B.V., INDIRECT WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY

The Company's indirect wholly-owned subsidiary namely Wasco Coatings Europe B.V. (Trade Register No. 08134516) ("WCEu"), a company incorporated in The Netherlands and having its address at 7547 SK Enschede, Hendrik ter Kuilestraat 183, The Netherlands had on 31 July 2025 completed the merger with Turn Key Pipeline Services B.V. (Trade Register No. 08115366) ("TKPS"), a company incorporated in The Netherlands and having its address at 7547 TD Enschede, Marssteden 70, The Netherlands via the Deed of Merger dated 31 July 2025 ("Merger").

With the Merger between WCEu and TKPS, the entire issued share capital of TKPS had been cancelled and TKPS ceased to exist with effect from 1 August 2025 following the merger with WCEu.

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 Merger between WCEu and TKPS.

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

There were no material changes in the composition of the Group during the current quarter and financial period ended 30 June 2025.

11. Significant events during the reporting period

There were no significant events during the current quarter and financial period ended 30 June 2025.

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12. Status of corporate proposals

The corporate proposal announced but not completed as at 21 August 2025 is as follow:

On 20 June 2025, CIMB Investment Bank Berhad ("CIMB") had on behalf of the Board of Directors announced the proposed listing of the Company's subsidiary, namely Wasco Greenergy Berhad [Registration No. 202301048372 (1542286-P)] ("Greenergy") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") via an initial public offering ("IPO") ("Proposed Listing"). The Proposed Listing involves:

- i. A proposed acquisition by Greenergy of the remaining 1,000,000 ordinary shares in its subsidiary, Wasco Thermal Sdn Bhd [Registration No. 200401011253 (649756-K)] ("WTSB"), representing 40% equity interest held by Tema Energy Ventures Sdn Bhd [Registration No. 200501018563 (700678-P)] ("Tema Energy") for a total purchase consideration of RM19,301,360 in which the purchase consideration will be satisfied via the issuance of 14,404,000 new ordinary shares in Greenergy ("Shares") at an issue price of RM1.34 per Share ("Proposed Acquisition").
- ii. A proposed bonus issue of 295,596,000 new Shares which will be credited as fully paid-up on a pro-rata basis to the existing shareholders of Greenergy based on their respective shareholdings in Greenergy after the Proposed Acquisition ("Proposed Bonus Issue").

(The Proposed Acquisition and Proposed Bonus Issue are collectively referred to as the "Proposed Pre-IPO Exercise").

- iii. Upon the completion of the Proposed Pre-IPO Exercise, Greenergy proposes to undertake an IPO of up to 150,000,000 Shares ("IPO Shares"), representing up to approximately 30% of the enlarged issued share capital of Greenergy, involving the following:
 - (a) offer for sale of up to 75,000,000 Shares to be offered by Tema Energy and the Company ("Proposed Offer for Sale"); and
 - (b) public issue of 75,000,000 new Shares ("Proposed Public Issue").

(The Proposed Offer for Sale and Proposed Public Issue are collectively referred to as "Proposed IPO").

- iv. Upon the successful completion of the Proposed IPO, Greenergy proposes to be admitted to the Official List of the Main Market of Bursa Securities and undertake the listing of and quotation for its entire enlarged issued share capital of 500,000,000 Shares on the Main Market of Bursa Securities.

On 30 June 2025, CIMB had on behalf of the Board of Directors announced that the application in relation to the Proposed Listing had been submitted to the Securities Commission Malaysia.

The completion of the Proposed Listing is subject to the approvals being obtained from the Securities Commission Malaysia, Bursa Securities, shareholders of the Company and any other relevant regulatory authority or third party.

13. Capital commitments

Capital commitments not provided for in the interim report:

As at
30 June
2025
RM'000

Approved and contracted for

20,522

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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 2025

Energy Services Segment

The Energy Services Segment's external revenue for the second quarter and financial periods ended 30 June 2025 were RM629.5 million and RM1,286.8 million respectively, compared with RM634.4 million and RM1,226.7 million in the corresponding periods in 2024. The segment registered a profit before tax of RM34.0 million and RM84.4 million respectively, compared with profit before tax of RM47.4 million and RM130.7 million in the corresponding periods in 2024.

Although there were no significant change in revenue, the profit before tax in the current quarter and financial period was mainly affected by the weaker performance of the segment's associates and joint venture companies.

Bioenergy Services Segment

The Bioenergy Services Segment's external revenue for the second quarter and financial periods ended 30 June 2025 were RM64.8 million and RM126.2 million respectively, compared with RM68.3 million and RM120.0 million in the corresponding periods in 2024. The profit before tax were RM7.2 million and RM14.0 million respectively, as compared with RM11.5 million and RM45.6 million in the corresponding periods in 2024.

Higher revenue for the current financial period was primarily driven by increased project activities related to steam boilers. However, the segment recorded lower revenue for the current quarter due to reduced deliveries of steam turbine generating systems and palm oil mill equipment. Lower profit before tax for the current quarter was due to the recognition of one-off gain on disposal of assets held for sale in the corresponding period in 2024, amounting to RM30.5 million.

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 RM37.5 million in the current quarter, compared with RM46.4 million in the previous quarter. The lower profit in the current quarter was mainly due to the weaker performance of associates and joint ventures in the current quarter.

16. Prospects

The Group has a healthy order book of RM2.2 billion, comprising of RM2.0 billion from Energy Services segment and RM267.6 million from Bioenergy Services segment. While the Group continues to have a strong tender book, the global economic uncertainties have resulted in delays of final investment decisions and awards by customers.

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17. Profit before tax

	Current Quarter Ended 30 June 2025 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2024 RM'000	Current Period To- date Ended 30 June 2025 RM'000	Preceding Corresponding Period To-date Ended 30 June 2024 RM'000
Profit before tax is stated after charging/(crediting) the following items:				
Interest income	(773)	(775)	(2,027)	(2,295)
Depreciation and amortisation	23,070	23,692	45,589	46,462
Reversal of impairment on receivables - net	(17,658)	(2,076)	(23,488)	(3,877)
Loss of impairment on amount owing from associate	121	-	121	-
Loss/(Reversal) of impairment on amount owing from joint venture	146	-	(367)	-
Loss of impairment on investment in joint venture	709	-	709	-
(Reversal)/Allowance on slow moving and obsolete inventories - net	(10)	-	(633)	9
Write-off on inventories	303	-	305	-
Net foreign exchange loss/(gain)	10,445	2,830	11,118	(1,528)
Gain on disposal of assets held for sale	-	-	-	(30,469)

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 2025 RM'000	Financial Period To-date Ended 30 June 2025 RM'000
Tax expense		
- Malaysian tax	4,262	6,882
- Foreign tax	2,055	10,122
	<u>6,317</u>	<u>17,004</u>

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

	Current Quarter Ended 30 June 2025 RM'000	Financial Period To-date Ended 30 June 2025 RM'000
Profit before tax	<u>37,463</u>	<u>83,847</u>
Tax expense at the statutory tax rate – 24%	8,991	20,123
Other tax adjustments	<u>(2,674)</u>	<u>(3,119)</u>
Taxation	<u>6,317</u>	<u>17,004</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 2025 RM'000
<u>Unsecured</u>	
Short-term borrowings	
Revolving credits	123,530
Term loans	52,933
Trade financing	90,449
Fixed rate notes	17,785
	<hr/> 284,697
Long-term borrowings	
Term loans	123,526
	<hr/>
Total borrowings	<hr/> 408,223 <hr/>

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

United States Dollar	289,031
Ringgit Malaysia	85,443
British Pound	17,849
Qatari Riyal	9,542
Australian Dollar	6,358
	<hr/> 408,223 <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 2025 are as follows:

	Current Quarter Ended 30 June 2025 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2024 RM'000	Financial Period To-date Ended 30 June 2025 RM'000	Preceding Corresponding Period To-date Ended 30 June 2024 RM'000
<u>Forward currency contracts</u>				
Balance as at				
- 1 January	-	-	(14,038)	(3,946)
- 1 April	(12,568)	(2,343)	-	-
Fair value gain recognised in profit or loss from continuing operations	12,508	720	12,412	2,396
Effect of changes in exchange rate	2,641	6	4,207	(67)
Balance as at 30 June	<hr/> 2,581 <hr/>	<hr/> (1,617) <hr/>	<hr/> 2,581 <hr/>	<hr/> (1,617) <hr/>

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21. Fair value of financial instruments (continued)

	As at 30 June 2025 RM'000	As at 30 June 2024 RM'000
Represented by:		
Derivative financial assets	2,853	16
Derivative financial liabilities	(272)	(1,633)
	2,581	(1,617)

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 2025</u>				
<u>Financial assets</u>				
Derivative financial assets	-	2,853	-	2,853
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(272)	-	(272)

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, other than:

A joint venture partner in India has alleged a breach of shareholders agreement and commenced an arbitration proceeding against two of the Company's subsidiaries. The arbitration is at information disclosure stage. The possible outcome cannot be ascertained at this point of time.

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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 2025	Preceding Year Corresponding Quarter Ended 30 June 2024	Current Period To-date Ended 30 June 2025	Preceding Corresponding Period To-date Ended 30 June 2024
Net profit attributable to the owners of the Company (RM'000)	33,946	35,751	69,383	92,755
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)	4.38	4.62	8.96	11.98

24. Contingent liabilities

There were no contingent liabilities arising since the last annual audited financial statements.

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 28 August 2025.