| | | |
|---|---|---|
| **Company name** | : | **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)** |
| **Stock name** | : | **WASEONG** |
| **Financial Period Ended** | : | **30 June 2017** |
| **Quarter** | : | **2** |

## Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

| | Individual Quarter | | Cumulative Period | |
|---|---|---|---|---|
| | **Current Quarter Ended 30 June 2017 Unaudited RM'000** | **Preceding Year Corresponding Quarter Ended 30 June 2016 Unaudited RM'000** | **Current Period To-date Ended 30 June 2017 Unaudited RM'000** | **Preceding Year Corresponding Period To-date Ended 30 June 2016 Unaudited RM'000** |
| Gross revenue | 446,065 | 327,424 | 762,834 | 668,302 |
| Cost of sales | (361,289) | (292,671) | (633,726) | (584,024) |
| **Gross profit** | **84,776** | **34,753** | **129,108** | **84,278** |
| Other operating income | 6,514 | 11,951 | 23,370 | 57,581 |
| Selling and distribution expenses | (7,163) | (8,309) | (14,257) | (17,565) |
| Administrative and general expenses | (62,217) | (34,844) | (108,306) | (102,136) |
| Other gains/(losses) - net | 486 | 3,597 | (218) | (815) |
| Finance costs | (10,669) | (6,593) | (20,368) | (13,265) |
| Share of results of associates and joint ventures | 1,723 | (3,806) | 8,708 | (8,975) |
| **Profit/(loss) before tax** | **13,450** | **(3,251)** | **18,037** | **(897)** |
| Taxation | (3,891) | (2,254) | (5,206) | (6,795) |
| **Net profit/(loss) for the financial period** | **9,559** | **(5,505)** | **12,831** | **(7,692)** |
| **Net profit/(loss) attributable to:** | | | | |
| - Owners of the Company | 6,939 | (6,910) | 16,408 | (4,551) |
| - Non-controlling interests | 2,620 | 1,405 | (3,577) | (3,141) |
| | **9,559** | **(5,505)** | **12,831** | **(7,692)** |
| Earnings/(Loss) per share | | | | |
| - Basic earnings/(loss) per share (sen) | 0.90 | (0.89) | 2.12 | (0.59) |
| - Diluted earnings/(loss) per share (sen) | 0.90 | (0.89) | 2.12 | (0.59) |

(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 2016)

| | | |
|---|---|---|
| **Company name** | : | **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)** |
| **Stock name** | : | **WASEONG** |
| **Financial Period Ended** | : | **30 June 2017** |
| **Quarter** | : | **2** |

## Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017

### CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Period | |
|---|---|---|---|---|
| | Current Quarter Ended 30 June 2017 Unaudited RM'000 | Preceding Year Corresponding Quarter Ended 30 June 2016 Unaudited RM'000 | Current Period To-date Ended 30 June 2017 Unaudited RM'000 | Preceding Year Corresponding Period To-date Ended 30 June 2016 Unaudited RM'000 |
| **Net profit/(loss) for the financial period** | **9,559** | **(5,505)** | **12,831** | **(7,692)** |
| **Other comprehensive income/(expense), net of tax:** | | | | |
| *Items that may be subsequently reclassified to profit or loss* | | | | |
| Foreign currency translation differences for foreign operations | 3,621 | 9,482 | 784 | (25,731) |
| | 3,621 | 9,482 | 784 | (25,731) |
| **Total comprehensive income/(loss) for the financial period** | **13,180** | **3,977** | **13,615** | **(33,423)** |
| **Total comprehensive income/(expense) attributable to:** | | | | |
| - Owners of the Company | 9,085 | 2,718 | 15,568 | (30,865) |
| - Non-controlling interests | 4,095 | 1,259 | (1,953) | (2,558) |
| | **13,180** | **3,977** | **13,615** | **(33,423)** |

(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 2016)

| | | |
|---|---|---|
| **Company name** | : | **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)** |
| **Stock name** | : | **WASEONG** |
| **Financial Period Ended** | : | **30 June 2017** |
| **Quarter** | : | **2** |

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

| | As at 30 June 2017 Unaudited RM'000 | As at 31 December 2016 Audited RM'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-Current Assets** | | |
| Property, plant and equipment | 1,043,651 | 781,659 |
| Prepaid lease payments | 120,103 | 120,922 |
| Investment properties | 11,052 | 11,197 |
| Investment in associates | 219,231 | 215,183 |
| Investment in joint ventures | 146,799 | 154,518 |
| Available-for-sale financial assets | 10 | 10 |
| Goodwill and other intangible assets | 149,929 | 155,281 |
| Deferred tax assets | 23,546 | 24,525 |
| Long term deposit | 39,337 | - |
| | 1,753,658 | 1,463,295 |
| **Current Assets** | | |
| Inventories | 521,709 | 208,398 |
| Amounts due from customers on contracts | 51,049 | 43,981 |
| Trade and other receivables | 440,650 | 462,785 |
| Amounts owing by associates | 19,279 | 13,176 |
| Amounts owing by joint ventures | 68,110 | 71,932 |
| Finance lease receivables | - | 9,725 |
| Tax recoverable | 20,317 | 16,112 |
| Derivative financial assets | 422 | 581 |
| Time deposits | 100,646 | 151,763 |
| Cash and bank balances | 157,898 | 163,493 |
| | 1,380,080 | 1,141,946 |
| **TOTAL ASSETS** | 3,133,738 | 2,605,241 |
| **EQUITY AND LIABILITIES** | | |
| **Capital and Reserves Attributable to Owners of the Company** | | |
| Share capital | 547,690 | 387,444 |
| Share premium | - | 160,246 |
| Treasury shares | (2,331) | (2,331) |
| Exchange translation reserves | (12,309) | (11,469) |
| Available-for-sale reserve | 6 | 6 |
| Retained profits | 258,403 | 241,995 |
| **Equity attributable to owners of the Company** | 791,459 | 775,891 |
| Non-controlling interests | 89,960 | 91,913 |
| **TOTAL EQUITY** | 881,419 | 867,804 |

**Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017**

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

| | As at 30 June 2017 Unaudited RM'000 | As at 31 December 2016 Audited RM'000 |
|---|---|---|
| **LIABILITIES** | | |
| **Non-Current and Deferred Liabilities** | | |
| Loans and borrowings | 321,256 | - |
| Deferred tax liabilities | 19,567 | 19,399 |
| Trade and other payables | 631,238 | 97,501 |
| | 972,061 | 116,900 |
| **Current Liabilities** | | |
| Amounts due to customers on contracts | 52,251 | 22,563 |
| Trade and other payables | 413,177 | 329,545 |
| Provision for warranties | 6,295 | 9,470 |
| Amount owing to associates | - | 181 |
| Amounts owing to joint ventures | 1,810 | 2,977 |
| Derivative financial liabilities | 59 | - |
| Loans and borrowings | 783,104 | 1,231,501 |
| Dividend payable | 13,735 | 13,808 |
| Current tax liabilities | 9,827 | 10,492 |
| | 1,280,258 | 1,620,537 |
| **TOTAL LIABILITIES** | 2,252,319 | 1,737,437 |
| **TOTAL EQUITY AND LIABILITIES** | 3,133,738 | 2,605,241 |

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

**Company name** : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
**Stock name** : **WASEONG**
**Financial Period Ended** : **30 June 2017**
**Quarter** : **2**

## Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**These figures have not been audited**

| | ---------- Attributable to owners of the Company ---------- | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Share capital RM'000** | **Share premium RM'000** | **Treasury shares RM'000** | **Exchange translation reserves RM'000** | **Available-for-sale reserve RM'000** | **Retained profits RM'000** | **Total RM'000** | **Non-controlling interests RM'000** | **Total equity RM'000** |
| **At 1 January 2017** | 387,444 | 160,246 | (2,331) | (11,469) | 6 | 241,995 | 775,891 | 91,913 | 867,804 |
| Net profit/(loss) for the financial period | - | - | - | - | - | 16,408 | 16,408 | (3,577) | 12,831 |
| Other comprehensive (expense)/income for the financial period | - | - | - | (840) | - | - | (840) | 1,624 | 784 |
| Total comprehensive (expense)/income for the financial period | - | - | - | (840) | - | 16,408 | 15,568 | (1,953) | 13,615 |
| Transition to no-par value regime on 31 January 2017 (Note) | 160,246 | (160,246) | - | - | - | - | - | - | - |
| Total transactions with owners | 160,246 | (160,246) | - | - | - | - | - | - | - |
| **At 30 June 2017** | 547,690 | - | (2,331) | (12,309) | 6 | 258,403 | 791,459 | 89,960 | 881,419 |

Note: The new Companies Act 2016 (the "Act"), which came into effect on 31 January 2017, had abolished the authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the share premium account becomes part of the Company's share capital pursuant to Section 618 (2) of the Act. There is no impact on the numbers of ordinary shares issued or the entitlement of the shareholders as a result of the Act.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

**Company name** : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
**Stock name** : **WASEONG**
**Financial Period Ended** : **30 June 2017**
**Quarter** : **2**

## Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**These figures have not been audited**

| | ---------- Attributable to owners of the Company ---------- | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Share capital RM'000** | **Share premium RM'000** | **Treasury shares RM'000** | **Exchange translation reserves RM'000** | **Available-for-sale reserve RM'000** | **Retained profits RM'000** | **Total RM'000** | **Non-controlling interests RM'000** | **Total equity RM'000** |
| **At 1 January 2016** | 387,444 | 160,246 | (1,991) | 94,324 | 6 | 481,889 | 1,121,918 | 103,502 | 1,225,420 |
| Net loss for the financial period | - | - | - | - | - | (4,551) | (4,551) | (3,141) | (7,692) |
| Other comprehensive (expense)/income for the financial period | - | - | - | (26,314) | - | - | (26,314) | 583 | (25,731) |
| Total comprehensive expense for the financial period | - | - | - | (26,314) | - | (4,551) | (30,865) | (2,558) | (33,423) |
| Shares purchased (including transaction costs) | - | - | (340) | - | - | - | (340) | - | (340) |
| Cash dividends paid to owners of the Company | - | - | - | - | - | (7,728) | (7,728) | - | (7,728) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | (5,447) | (5,447) |
| Total contributions by and distributions to owners | - | - | (340) | - | - | (7,728) | (8,068) | (5,447) | (13,515) |
| Subscription of right issues by non-controlling interest of an existing subsidiary | - | - | - | - | - | - | - | 400 | 400 |
| Total changes in ownership interest in subsidiaries that did not result in a loss of control | - | - | - | - | - | - | - | 400 | 400 |
| Total transactions with owners | - | - | (340) | - | - | (7,728) | (8,068) | (5,047) | (13,115) |
| **At 30 June 2016** | 387,444 | 160,246 | (2,331) | 68,010 | 6 | 469,610 | 1,082,985 | 95,897 | 1,178,882 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

**Company name** : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
**Stock name** : **WASEONG**
**Financial Period Ended** : **30 June 2017**
**Quarter** : **2**

## Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Current Period To-date Ended 30 June 2017 Unaudited RM'000 | Preceding Year Corresponding Period To-date Ended 30 June 2016 Unaudited RM'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit/(loss) before tax | 18,037 | (897) |
| Adjustments for non-operating items: | | |
| Depreciation and amortisation | 42,647 | 39,887 |
| Other non-cash items | (43,951) | (23,098) |
| Interest expense | 20,368 | 13,265 |
| Interest income | (3,591) | (4,903) |
| Operating profit before changes in working capital | 33,510 | 24,254 |
| Changes in working capital: | | |
| Net changes in current assets | (21,736) | 176,890 |
| Net changes in current liabilities | 26,951 | (135,345) |
| Cash generated from operations | 38,725 | 65,799 |
| Interest received | 3,591 | 4,903 |
| Interest paid | (20,368) | (13,265) |
| Tax paid | (8,929) | (3,364) |
| **Net cash generated from operating activities** | 13,019 | 54,073 |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | (217,263) | (48,597) |
| Purchase of investment properties | (30) | (42) |
| Purchase of intangible assets | (5) | (34) |
| Acquisition of a subsidiary | (90,836) | - |
| Additional investment in associates | (7,612) | (29,609) |
| Proceeds from short term deposits | 40,530 | - |
| Proceeds from disposal of property, plant and equipment | 2,549 | 4,451 |
| Dividend received from an associate | 3,190 | 3,348 |
| Dividend received from a joint venture | 3,271 | - |
| Amounts owing by associates | (6,284) | - |
| Repayment from joint ventures | 2,655 | - |
| Long term deposits | (39,337) | - |
| Net cash flow from disposal of a subsidiary | - | 1,020 |
| **Net cash used in investing activities** | (309,172) | (69,463) |
| **Cash flows from financing activities** | | |
| Drawdown of other bank borrowings | 747,548 | 600,362 |
| Repayments of other bank borrowings | (767,729) | (529,022) |
| Drawdown of term loans | 415 | 16,775 |
| Repayment of term loans | (59,843) | (35,902) |
| Advances from customer | 352,264 | - |
| Purchase of treasury shares | - | (340) |
| Subscription of right issues by non-controlling interests of an existing subsidiary | - | 400 |
| Dividends paid to equity holders of the Company | - | (7,728) |
| Dividends paid to non-controlling interests | - | (15,565) |
| **Net cash generated from financing activities** | 272,655 | 28,980 |

| | | |
|---|---|---|
| **Company name** | **:** | **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)** |
| **Stock name** | **:** | **WASEONG** |
| **Financial Period Ended** | **:** | **30 June 2017** |
| **Quarter** | **:** | **2** |

## Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2017

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

| | Current Period To-date Ended 30 June 2017 Unaudited RM'000 | Preceding Year Corresponding Period To-date Ended 30 June 2016 Unaudited RM'000 |
|---|---|---|
| **Net changes in cash and cash and cash equivalents** | (23,498) | 13,590 |
| **Currency translation differences** | 7,316 | (10,000) |
| **Cash and cash equivalents at beginning of the financial period** | 228,388 | 320,807 |
| **Cash and cash equivalents at end of the financial period** | 212,206 | 324,397 |
| **Cash and cash equivalents at the end of the financial period comprise of the following:** | | |
| Time deposits | 100,646 | 135,208 |
| Cash and bank balances | 157,898 | 189,189 |
| Subtotal | 258,544 | 324,397 |
| Less: | | |
| Time deposits with maturity more than 3 months | (16,470) | - |
| Short term investments | (29,868) | - |
| | 212,206 | 324,397 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016)

# 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 2016. 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 2016.

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 2016, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS beginning 1 January 2017:

| | |
|---|---|
| Amendments to MFRS 107 | Statement of Cash Flows – Disclosure Initiative |
| Amendments to MFRS 112 | Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses |

The adoption of the revised standards and amendments that are applicable from the financial year beginning on 1 January 2017 is not expected to result in any material 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 ("MASB") but are not yet effective to the Group:

Effective from financial year beginning on or after 1 January 2018

| | |
|---|---|
| MFRS 9 | Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities |
| MFRS 15 | Revenue from Contracts with Customers |
| MFRS 140 | Investment Property – Transfers of Investment Property |

Effective from financial year beginning on or after 1 January 2019

| | |
|---|---|
| MFRS 16 | Leases |

## 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.

## 4. Unusual items

Save for the information disclosed in this financial report, there were no other material items affecting assets, liabilities, equity, net income, or cash flows for the financial period 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 2017, 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 2,097,338 treasury shares as at 30 June 2017.

Apart from the above, 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 2017.

## 7. Dividends

The Directors did not declare a first interim dividend in the current period.

| | **Financial Year Ending 31 December 2017** | **Financial Year Ended 31 December 2016** |
|---|---|---|
| Cash dividend per share | N/A | 0.50 sen single tier |
| Date payable and to be credited/ paid and credited | N/A | 5 October 2016 |

**Company name** : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
**Stock name** : **WASEONG**
**Financial Period Ended** : **30 June 2017**
**Quarter** : **2**

## 8. Segment information

| RESULTS | Oil & Gas RM'000 | Renewable Energy RM'000 | Industrial Trading & Services RM'000 | Plantation RM'000 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| Financial period ended 30 June 2017 | | | | | | |
| Revenue | 356,673 | 120,522 | 231,424 | - | 55,452 | 764,071 |
| Less: Inter segment revenue | (1,006) | - | - | - | (231) | (1,237) |
| External revenue | 355,667 | 120,522 | 231,424 | - | 55,221 | 762,834 |
| Segment profits/(losses) | 8,240 | 13,561 | (494) | (295) | 3,053 | 24,065 |
| Share of results of associates | 2,097 | - | (1) | (2,414) | - | (318) |
| Share of results of joint ventures | 7,859 | 360 | - | - | 807 | 9,026 |
| | 18,196 | 13,921 | (495) | (2,709) | 3,860 | 32,773 |
| Unallocated expenses relating to financing activities | | | | | | (11,707) |
| Unallocated corporate expenses | | | | | | (3,029) |
| Profit before tax | | | | | | 18,037 |
| TOTAL ASSETS | | | | | | |
| As at 30 June 2017 | | | | | | |
| Segment assets | 1,975,528 | 344,820 | 238,531 | 1,962 | 95,013 | 2,655,854 |
| Investment in associates | 191,123 | - | 819 | 27,289 | - | 219,231 |
| Investment in joint ventures | 127,733 | 1,570 | - | - | 17,496 | 146,799 |
| | 2,294,384 | 346,390 | 239,350 | 29,251 | 112,509 | 3,021,884 |
| Unallocated corporate assets | | | | | | |
| - Deferred tax assets | | | | | | 23,546 |
| - Tax recoverable | | | | | | 20,317 |
| - Cash and cash equivalents | | | | | | 10,620 |
| - Short term investment | | | | | | 29,868 |
| - Others | | | | | | 27,503 |
| Total assets | | | | | | 3,133,738 |

## 8. Segment information (continued)

| | Oil & Gas | Renewable Energy | Industrial Trading & Services | Plantation | Others | Total |
|---|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| OTHER INFORMATION | | | | | | |
| Financial period ended 30 June 2017 | | | | | | |
| Depreciation of: | | | | | | |
| - Property, plant and equipment | 37,091 | 2,644 | 1,099 | - | 821 | 41,655 |
| - Investment properties | - | - | 3 | - | 171 | 174 |
| Amortisation of: | | | | | | |
| - Prepaid lease payments | 408 | - | 410 | - | - | 818 |
| Additions of: | | | | | | |
| - Property, plant and equipment | 215,704 | 1,118 | 32 | - | 409 | 217,263 |
| - Investment properties | - | - | - | - | 30 | 30 |
| Interest income | (2,041) | (455) | (416) | - | (679) | (3,591) |
| Interest expense | 6,513 | 414 | 1,418 | - | 316 | 8,661 |

## 8. Segment information (continued)

| RESULTS | Oil & Gas RM'000 | Renewable Energy RM'000 | Industrial Trading & Services RM'000 | Plantation RM'000 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| Financial period ended 30 June 2016 | | | | | | |
| Revenue | 239,044 | 157,470 | 252,030 | - | 20,926 | 669,470 |
| Less: Inter segment revenue | (1,168) | - | - | - | - | (1,168) |
| External revenue | 237,876 | 157,470 | 252,030 | - | 20,926 | 668,302 |
| Segment (losses)/profits | (15,546) | 20,625 | 7,225 | (38) | 6,209 | 18,475 |
| Share of results of associates | (7,844) | - | 18 | (2,291) | - | (10,117) |
| Share of results of joint ventures | (203) | (259) | - | - | 1,604 | 1,142 |
| | (23,593) | 20,366 | 7,243 | (2,329) | 7,813 | 9,500 |
| Unallocated expenses relating to financing activities | | | | | | (9,296) |
| Unallocated corporate expenses | | | | | | (1,101) |
| Loss before tax | | | | | | (897) |
| TOTAL ASSETS | | | | | | |
| As at 30 June 2016 | | | | | | |
| Segment assets | 1,452,434 | 330,793 | 281,686 | 2,380 | 82,596 | 2,149,889 |
| Investment in associates | 231,264 | - | 312 | 94,511 | - | 326,087 |
| Investment in joint ventures | 159,874 | 186 | - | - | 15,383 | 175,443 |
| | 1,843,572 | 330,979 | 281,998 | 96,891 | 97,979 | 2,651,419 |
| Unallocated corporate assets | | | | | | |
| - Deferred tax assets | | | | | | 22,354 |
| - Tax recoverable | | | | | | 14,976 |
| - Cash and cash equivalents | | | | | | 49,368 |
| - Others | | | | | | 27,908 |
| Total assets | | | | | | 2,766,025 |

## 8. Segment information (continued)

| | Oil & Gas | Renewable Energy | Industrial Trading & Services | Plantation | Others | Total |
|---|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| OTHER INFORMATION | | | | | | |
| Financial period ended 30 June 2016 | | | | | | |
| Depreciation of: | | | | | | |
| - Property, plant and equipment | 33,533 | 2,111 | 2,446 | - | 918 | 39,008 |
| - Investment properties | - | - | 21 | - | 172 | 193 |
| Amortisation of: | | | | | | |
| - Prepaid lease payments | 413 | - | 273 | - | - | 686 |
| Additions of: | | | | | | |
| - Property, plant and equipment | 37,218 | 10,550 | 730 | - | 99 | 48,597 |
| - Investment properties | - | - | 40 | - | 2 | 42 |
| Impairment loss on trade receivables | 259 | - | 206 | - | - | 465 |
| Interest income | (2,235) | (284) | (1,371) | - | (1,013) | (4,903) |
| Interest expense | 2,591 | - | 1,349 | - | 29 | 3,969 |

## 9. Events subsequent to the balance sheet date

There were no material subsequent events since the end of the current quarter until a date not earlier than 7 days from the date of issuance of this quarterly report except for the following:

(a) On 24 July 2017, the Company announced that its indirect subsidiaries namely Wasco Resources Sdn Bhd, Wasco Coatings Services Sdn Bhd, Wasco Coatings Insulation Sdn Bhd, Wasco Lindung Sdn Bhd and Wasco Coatings Malaysia Sdn Bhd (collectively "the Vendor") had entered into a Sale and Purchase Agreement ("SPA") dated 24 July 2017 with RHB Trustees Berhad, a limited liability company incorporated in Malaysia with its registered address at Level 9, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, as trustee for Axis Real Estate Investment Trust ("Purchaser") for the disposal of lands measuring approximately 126.55 acres in area comprising:-

(i) all that piece of leasehold land held under H.S.(D) 37766, No. PT 14572, Mukim Sungai Karang, District of Kuantan, State of Pahang measuring approximately 350,208 sq. metres (approximately 86.54 acres) under the category of "Perusahaan/Perindustrian" with leasehold expiring on 8 November 2109 together with all buildings and structures erected thereon ("Land 1") for a consideration of Ringgit Malaysia One Hundred and Twenty Million (RM120,000,000) only; and

(ii) a portion of land measuring approximately 40.01 acres in area forming part of land held under PN 21278 for Lot 106048, Mukim of Sungai Karang, District of Kuantan, State of Pahang ("Master Title") which has been approved for subdivision ("Land 2") for a consideration of Ringgit Malaysia Thirty Five Million (RM35,000,000) only;

subject to the terms and conditions as stipulated in the SPA ("Disposal").

The total consideration of the Disposal is Ringgit Malaysia One Hundred and Fifty Five Million (RM155,000,000) only.

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

(a) On 11 April 2017, the Company announced that PMT Industries (HK) Limited, an indirect wholly-owned subsidiary of the Company, had been deregistered on 7 April 2017 pursuant to Section 751 of the Companies Ordinance (Cap. 622) in Hong Kong. The notice of dissolution was obtained by the Company from the Cyber Search Centre of Companies Registry in Hong Kong on 11 April 2017.

(b) Further to the announcement made on 30 September 2014, the Company had on 27 April 2017 announced that Gas Services International (M) Sdn Bhd ("GSIM"), an indirect 70%-owned subsidiary of the Company, had held its final meeting for the Member's Voluntary Winding Up on 27 April 2017.

GSIM will be fully dissolved after the expiration of three months from the date of lodgement of the Return by Liquidator relating to the Final Meeting with the Companies Commission of Malaysia and Officer Receiver.

(c) Further to the announcement made on 10 December 2014, the Company had on 2 May 2017 announced that TOT Inspection Sdn Bhd ("TOTI"), an indirect associate company of the Company, had held its final meeting for the Members' Voluntary Winding Up on 2 May 2017.

TOTI will be fully dissolved after the expiration of three months from the date of lodgement of the Return by Liquidator relating to the Final Meeting with the Companies Commission of Malaysia and Officer Receiver.

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

(d) On 16 June 2017, a wholly-owned subsidiary of the Company, Wah Seong Management Services Sdn Bhd ("WSMS") was incorporated in Malaysia pursuant to the Companies Act, 2016.

The business of WSMS will be the provision of management support services.

WSMS has an initial issued and paid-up share capital of RM1,000 only comprising 1,000 ordinary shares which were fully subscribed and paid up by the Company.

## 11. Status of corporate proposals

There are no corporate proposals announced but not completed as at 21 August 2017, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

## 12. Capital commitments

Capital commitments not provided for in the interim report:

| | **As at 30 June 2017 RM'000** |
|---|---|
| Approved and contracted for | 11,115 |
| Approved but not contracted for | 22,354 |

## 13. Operating lease commitments

Total future minimum lease payments under operating leases are as follows:

| | **As at 30 June 2017 RM'000** |
|---|---|
| Payable not later than one year | 8,891 |
| Payable later than one year and not later than five years | 22,969 |

**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 2017**

**Oil & Gas Segment**

The Oil & Gas Segment's external revenue for the second quarter and financial period ended 30 June 2017 were RM232.2 million and RM355.7 million compared with RM100.5 million and RM237.9 million in the corresponding periods in 2016. The segment had a profit before taxation of RM12.9 million and RM18.2 million respectively, compared with a loss before taxation of RM12.1 million and RM23.6 million in the corresponding periods in 2016.

The increase in activity level in the periods under review arising from a healthy order book in hand has directly contributed to the increase in both revenue and profit of the segment.

**Renewable Energy Segment**

The Renewable Energy Segment's external revenue for the second quarter and financial period ended 30 June 2017 were RM59.7 million and RM120.5 million compared with RM77.5 million and RM157.5 million in the corresponding periods in 2016. In the same periods, profit before taxation were RM7.6 million and RM13.9 million compared with RM12.3 million and RM20.4 million in the corresponding periods in 2016. The decrease in revenue was due to lower contracts secured for process equipment and Kernel Crushing Press. As for profit before taxation, the decline was attributed to overall lower margin.

**Industrial Trading & Services Segment**

The Industrial Trading & Services Segment's external revenue for the second quarter and financial period ended 30 June 2017 were RM105.8 million and RM231.4 million, compared with RM135.7 million and RM252.0 million in the corresponding periods in 2016. In the same periods, the segment recorded a loss before taxation of RM0.4 million and RM0.5 million respectively compared with profit before taxation of RM4.3 million and RM7.2 million in the corresponding periods in 2016.

The decline in revenue in the current quarter compared with the preceding year was due to lower sales of building materials and spiral steel pipes. The loss before taxation was mainly due to operational losses from its overseas subsidiaries and residual costs associated with the closure of the pipe manufacturing business.

**Plantation**

The Plantation Segment reported a loss before taxation for the second quarter and financial period ended 30 June 2017 of RM1.4 million and RM2.7 million respectively, compared with RM1.1 million and RM2.3 million in the corresponding periods in 2016. The higher loss before taxation was due to low level activity during the period.

## 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 RM13.5 million in the current quarter compared with a profit before taxation of RM4.6 million in the previous quarter. This was the direct result of increasing activities in the oil and gas segment which has commenced executing its major projects in hand.

## 16. Current period prospects

The Group's current order book amounted to RM3.7 billion, comprising RM3.5 billion for Oil & Gas, RM231.1 million for Renewable Energy and RM40.9 million for Industrial Trading & Services. The order book remains healthy and despite the challenging environment, the Group has been able to replenish its order book as it executes orders in hand. Barring unforeseen circumstances, the Group expects a better performance for the financial year ending 31 December 2017.

## 17. Profit/(loss) before tax

| | Current Quarter Ended 30 June 2017 RM'000 | Preceding Year Corresponding Quarter Ended 30 June 2016 RM'000 | Current Period To-date Ended 30 June 2017 RM'000 | Preceding Year Corresponding Period To-date Ended 30 June 2016 RM'000 |
|---|---|---|---|---|
| Profit/(loss) before tax is stated after charging/ (crediting) the following items: | | | | |
| Interest income | (1,709) | (2,331) | (3,591) | (4,903) |
| Depreciation and amortisation | 21,884 | 19,816 | 42,647 | 39,887 |
| Impairment loss/ (reversal) on receivables | 87 | 479 | 169 | (77) |
| (Reversal)/provision of impairment loss and write-off of inventories - net | (478) | 106 | (592) | 326 |
| Gain on disposal of asset classified as held for sale | - | (10,541) | - | (10,541) |
| Net foreign exchange loss | 2,457 | 5,641 | 1,709 | 1,331 |

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.

## 18. Taxation

Taxation comprises the following:

| | Current Quarter Ended 30 June 2017 RM'000 | Period To-date Ended 30 June 2017 RM'000 |
|---|---|---|
| Tax expense | | |
| - Malaysian tax | 2,148 | 2,447 |
| - Foreign tax | 1,743 | 2,759 |
| | 3,891 | 5,206 |

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

| | Current Quarter Ended 30 June 2017 RM'000 | Period To-date Ended 30 June 2017 RM'000 |
|---|---|---|
| Profit before tax | 13,450 | 18,037 |
| Tax expense at the statutory tax rate – 24% | 3,228 | 4,329 |
| Effects arising from certain subsidiaries which are not subjected to tax or enjoy tax exemption incentives | 334 | 334 |
| Other tax adjustments | 2,263 | 2,447 |
| Over provision in prior financial period | (1,934) | (1,904) |
| | 663 | 877 |
| Taxation | 3,891 | 5,206 |

## 19. Profit forecast

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

## 20. Group's borrowings and debt securities

| | Unsecured RM'000 | Total RM'000 |
|---|---|---|
| **Short term borrowings** | | |
| Revolving credits | 541,894 | 541,894 |
| Term loans | 117,042 | 117,042 |
| Trade financing | 124,168 | 124,168 |
| **Sub-total** | 783,104 | 783,104 |
| **Long term borrowings** | | |
| Term loans | 175,868 | 175,868 |
| Revolving credits | 113,660 | 113,660 |
| Fixed rate notes | 31,728 | 31,728 |
| | 321,256 | 321,256 |
| **Total borrowings** | 1,104,360 | 1,104,360 |

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

| | RM'000 |
|---|---|
| United States Dollar | 885,829 |
| Ringgit Malaysia | 196,632 |
| Australian Dollar | 21,899 |
| | 1,104,360 |

## 21. Fair value of financial instruments

The fair value gains and losses arising from fair value changes in financial assets and liabilities during the current quarter and financial period ended 30 June 2017 are as follows:

| | Current Quarter Ended 30 June 2017 RM'000 | Preceding Year Corresponding Quarter Ended 30 June 2016 RM'000 | Current Period To-date Ended 30 June 2017 RM'000 | Preceding Year Corresponding Period To-date Ended 30 June 2016 RM'000 |
|---|---|---|---|---|
| Balance as at -1 January | - | - | 591 | (431) |
| -1 April | (113) | (4,834) | - | - |
| Fair value (loss)/gain recognised in: | | | | |
| - profit or loss | 486 | 3,597 | (218) | (815) |
| - other comprehensive income/(expense) | - | 23 | - | 32 |
| Balance as at 30 June | 373 | (1,214) | 373 | (1,214) |

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

| | 30 June 2017 RM'000 | 30 June 2016 RM'000 |
|---|---|---|
| Represented by: | | |
| Available-for-sale financial assets carried at fair value | 10 | 10 |
| Derivative financial assets | 422 | 86 |
| Derivative financial liabilities | (59) | (1,310) |
| | 373 | (1,214) |

**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).

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|---|---|---|---|---|
| 30 June 2017 | | | | |
| Financial assets | | | | |
| Available-for-sale financial assets | 10 | - | - | 10 |
| Derivative financial assets | - | 422 | - | 422 |
| Financial liabilities | | | | |
| Derivative financial liabilities | - | (59) | - | (59) |

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 since the last annual balance sheet date up to 21 August 2017.

## 23. Earnings/(loss) per share

**Basic and diluted earnings/(loss) 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 of RM0.50 each in issue after adjusting for movements in treasury shares in the same financial quarter/period:

| | Current Quarter Ended 30 June 2017 | Preceding Year Corresponding Quarter Ended 30 June 2016 | Current Period To-date Ended 30 June 2017 | Preceding Year Corresponding Period To-date Ended 30 June 2016 |
|---|---|---|---|---|
| Net profit/(loss) attributable to the owners of the Company (RM'000) | 6,939 | (6,910) | 16,408 | (4,551) |
| Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000)) | 772,791 | 772,791 | 772,791 | 772,831 |
| Basic/diluted earnings/(loss) per share (sen) | 0.90 | (0.89) | 2.12 | (0.59) |

## 24. Contingent liabilities

There were no contingent liabilities arising since the last annual audited statement of financial position.

## 25. Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

| | As at 30 June 2017 RM'000 | As at 31 December 2016 RM'000 |
|---|---|---|
| Total retained profits of the Company and its subsidiaries | | |
| - Realised gains | 73,059 | 105,420 |
| - Unrealised gains/(losses) | 20,430 | (25,228) |
| Total share of retained profits from associates | | |
| - Realised losses | (36,737) | (33,689) |
| - Unrealised gains | 9,831 | 7,101 |
| Total share of retained profits from joint ventures | | |
| - Realised gains | 17,830 | 8,075 |
| - Unrealised gains | 101 | 830 |
| | 84,514 | 62,509 |
| Consolidation adjustments | 173,889 | 179,486 |
| Total group retained profits as per consolidated financial statements | 258,403 | 241,995 |

**By Order of the Board**

**Woo Ying Pun**
**Company Secretary**

**Kuala Lumpur**