

**KEY MATTERS DISCUSSED AT THE TWENTY-THIRD ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY CONDUCTED THROUGH LIVE STREAMING AND ONLINE REMOTE PARTICIPATION USING REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES AS A FULLY VIRTUAL GENERAL MEETING AT THE BROADCASTING VENUE HELD AT MATAHARI 3 & 4, LEVEL 5, CITITEL MID VALLEY, MID VALLEY CITY, LINGKARAN SYED PUTRA, 59200 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA ON TUESDAY, 30 MAY 2023 AT 3.00 P.M.**

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**1. Does Wasco engineering have high opportunity to get the award from Bahrain Tatweer petroleum?**

Mr. Gian Carlo Maccagno (“**Mr. Maccagno**”) replied that Wasco’s engineering division and the pipe coating facilities in Qatar were well positioned not just for the Bahrain project, but also for the opportunities for gas projects in the Middle East. Wasco had established an engineering and fabrication yard in Dubai and a large pipe coating yard in Qatar, and both facilities were very well positioned for the Bahrain project, as well as for other targeted projects in the region including in Abu Dhabi, Saudi Arabia and Qatar which were foreseen to have tremendous opportunities in the next 5 to 8 years.

**2. Could you provide the remaining unbilled amount for the EACOP and Qatar projects respectively. What is the revenue recognition period for the unbilled portions?**

Mr. Maccagno replied that the total price value of the EACOP project in Tanzania amounted to approximately USD300 million, with the pipe coating work scheduled to begin next year. Wasco was well in advance on the mobilisation of its plant and was on target to complete and commission the plant before the end of this year. At present, Wasco still had about USD200 million to be recognised on the project.

The Qatar project amounted to approximately USD97 million. The project had just begun and Wasco had not taken up any sales in relation to the project.

With these two projects in hand, Wasco estimated a revenue of about USD300 million which would be captured in the next 12 to 18 months.

**3. What are the biggest EPC contracts on hand and what’s their unbilled value?**

Mr. Maccagno highlighted that the largest contract Wasco currently had was the EACOP project which totalled approximately USD300 million, the second largest project was the Yinson project for Agogo FPSO at about USD127 million, and the third largest was the Qatar project for pipe coating which amounted to approximately USD97 million.

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- 4. Hi management of Wah Seong/ Wasco. Firstly I would like to applaud your effort to post quarterly briefings on your website. Your transparency and good communication is highly appreciated and reflects your effort to good governance. I would like to understand more about the margins reflected across your projects, do pipe coating jobs normally have higher margin than the other engineering jobs? If yes, how much of the RM3.5 billion orderbook is pipe coating?**

Mr. Maccagno replied that even in past briefings, the Company did not disclose profit margins especially those of future projects, but he could provide an indication on the status of the order book.

Approximately half of the current order book consisted of pipe coating jobs while the remaining comprised of the Group's other businesses. From past experience, the margin for Wasco's core business, namely pipe coating usually showed better improvement than its other businesses as Wasco had less competition and a strong position in the pipe coating market.

- 5. Can I know, what drives the tender book for pipe coating projects globally? Are you seeing a pick up in these projects from recent headlines of de-globalisation, war and energy crunch? How are you better than your closest competitors and peers like Shawcor?**

Mr. Maccagno explained that the energy industry was undergoing a transition to cleaner energy. The world was in the midst of exploring and investing heavily in green and renewable energy, with the transition fuel of choice being gas. The Russia-Ukraine war had resulted in a surge of demand for gas, with countries especially in Europe that were dependent on gas supplied from Russia, now rushing to obtain supply from alternative sources. This had created a huge demand for gas and gas pipelines.

The Group's order book currently stood at RM3.5 billion, the highest ever recorded by the Group.

Wasco had just started in the business in 1990 when Shawcor was occupying 70% to 80% of the market share with very few competitors. At present, Wasco was equal to or larger than Shawcor in terms of size, having taken over approximately 50% of the market share. The Group's commitment to deliver what was promised to customers in terms of safety first, delivery of products on time, reliability of Wasco, and competitiveness had helped Wasco to reach our position in the global market.

Wasco was the leading pipe coating company in this region and also the largest pipe coating company in Europe. Shawcor still held a large presence in South America where Wasco had not ventured into yet, but Wasco was keen to explore the market as there were tremendous opportunities especially for deep water coating in the Gulf of Mexico and other areas in the region, where Wasco would bring in our technology,

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capability, and ability to perform jobs successfully, safely, with good quality and competitiveness.

**6. What are the main steps that will contribute to Wasco net zero by 2026 and what are the capex requirement to fulfil this goal?**

Mr. Maccagno replied that Wasco had set in place a detailed plan to achieve net zero carbon emissions by 2026. As there were a lot of greenwashing in the market, we wanted to ensure that a solid plan was put in place to achieve the set goal.

Wasco had begun capturing carbon emissions since 2013, and had been audited by third parties to ensure that the actions taken were according to proper standards. The Group was well ahead of many other companies as a lot of data had been compiled to tackle the issues on carbon emission.

He explained that the Group's carbon emissions were monitored and consolidated on a daily basis. The intention to reduce carbon emissions had also been cascaded down to the individual units of the Group that were taking steps towards reducing their respective carbon output and reduce energy usage.

In terms of initiatives on a group level, Wasco had been steering towards solar as an alternative energy source. Currently in Malaysia, a large capex was not required to invest in solar energy as there were companies prepared to invest in the setting up of the necessary facilities, these companies also charged at an equal or inferior price per kW hour on energy usage compared to the cost from utilising dirty energy.

Mr. Maccagno added that there would always be some residual carbon footprint that would be impossible to bring down to zero due to business operations. To counter that, Wasco had started the “Wasco Forest” reforestation project several years ago. Wasco had been granted a 30 years lease on a piece of land measuring a hundred acres by the state government of Pahang for the purpose of replanting trees in an area where illegal logging had been carried out in the past. The replanted trees would slowly provide Wasco with carbon credits of approximately 10,000 tons by the year 2026 which should be sufficient to counter the residual carbon after all planned initiatives were in place.

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- 7. Thanks for entertaining all my questions. One last question – are you busier now than the Nordstream 2 days? Is it more exciting time for the company if compared to those years? Thank you once again everyone.**

Mr. Maccagno replied that Nordstream 2 had been a large and extremely challenging project, being the largest pipeline project ever done by anyone in the world. Wasco previously had two large facilities in Finland and Germany working to coat a tremendous amount of pipes and moving millions of tons of pipes around the North Sea and the Baltic Sea. The contract totalled around EUR750 million.

During that time, the market was in an extreme downturn due to the 2014-2015 capex cut by many oil and gas companies ranging from 60% up to 80% due to the large drop in oil price, resulting in very little demand for Wasco's product and services. Wasco had fortunately secured the Nordstream 2 project that managed to keep us occupied for the following 3 years.

As we speak, it was definitely a much more exciting time for the Group, being busy throughout the year with fabrication, engineering and pipe coating in multiple projects around the world which provided more sustainability in the long term.