

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
 Stock name : WASEONG  
 Financial Period Ended : 31 December 2017  
 Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2017 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2016 Unaudited RM'000	Financial Year Ended 31 December 2017 Unaudited RM'000	Preceding Year Corresponding Financial Year Ended 31 December 2016 Audited RM'000
Gross revenue	979,204	330,216	2,492,100	1,276,588
Cost of sales	(886,553)	(291,728)	(2,182,428)	(1,118,370)
<b>Gross profit</b>	<b>92,651</b>	<b>38,488</b>	<b>309,672</b>	<b>158,218</b>
Other operating income	121,114	38,212	169,021	103,838
Selling and distribution expenses	(7,235)	(6,237)	(28,012)	(31,492)
Administrative and general expenses	(135,432)	(235,296)	(290,706)	(381,473)
Other gain/(losses) - net	111	504	(487)	995
Finance costs	(11,639)	(9,389)	(41,897)	(29,907)
Share of results of associates and joint ventures	2,358	(28,301)	5,014	(46,043)
<b>Profit/(loss) before tax</b>	<b>61,928</b>	<b>(202,019)</b>	<b>122,605</b>	<b>(225,864)</b>
Taxation	12,317	1,613	(7,962)	(8,690)
<b>Net profit/(loss) for the financial period/year</b>	<b>74,245</b>	<b>(200,406)</b>	<b>114,643</b>	<b>(234,554)</b>
<b>Net profit/(loss) attributable to:</b>				
- Owners of the Company	65,964	(198,325)	113,021	(228,302)
- Non-controlling interests	8,281	(2,081)	1,622	(6,252)
	<b>74,245</b>	<b>(200,406)</b>	<b>114,643</b>	<b>(234,554)</b>

Earnings per share				
- Basic earnings per share (sen)	8.54	(25.66)	14.63	(29.54)
- Diluted earnings per share (sen)	8.54	(25.66)	14.63	(29.54)

(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 : 31 December 2017  
 Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2017 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2016 Unaudited RM'000	Financial Year Ended 31 December 2017 Unaudited RM'000	Preceding Year Corresponding Financial Year Ended 31 December 2016 Audited RM'000
<b>Net profit/(loss) for the financial period/year</b>	<b>74,245</b>	<b>(200,406)</b>	<b>114,643</b>	<b>(234,554)</b>
<b>Other comprehensive expenses, net of tax:</b>				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Available-for-sale financial assets				
- Fair value gain	(1)	-	-	-
Foreign currency translation differences for foreign operations	(4,501)	(86,374)	(5,575)	(106,333)
	<u>(4,502)</u>	<u>(86,374)</u>	<u>(5,575)</u>	<u>(106,333)</u>
<b>Total comprehensive income/(expense) for the financial period/year</b>	<b><u>69,743</u></b>	<b><u>(286,780)</u></b>	<b><u>109,068</u></b>	<b><u>(340,887)</u></b>
<b>Total comprehensive income/(expense) attributable to:</b>				
- Owners of the Company	62,073	(283,795)	106,231	(334,095)
- Non-controlling interests	7,670	(2,985)	2,837	(6,792)
	<u>69,743</u>	<u>(286,780)</u>	<u>109,068</u>	<u>(340,887)</u>

(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** : 31 December 2017  
**Quarter** : 4

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>As at 31 December 2017 Unaudited RM'000</b>	<b>As at 31 December 2016 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	966,110	781,659
Prepaid lease payments	90,584	120,922
Investment properties	9,034	11,197
Investment in associates	185,223	215,183
Investment in joint ventures	146,446	154,518
Available-for-sale financial assets	10	10
Goodwill and other intangible assets	143,390	155,281
Deferred tax assets	41,724	24,525
	<u>1,582,521</u>	<u>1,463,295</u>
<b>Current Assets</b>		
Inventories	290,159	208,398
Amounts due from customers on contracts	52,467	43,981
Trade and other receivables	843,136	462,785
Amounts owing by associates	12,722	13,176
Amounts owing by joint ventures	55,417	71,932
Finance lease receivables	-	9,725
Tax recoverable	15,418	16,112
Derivative financial assets	94	581
Time deposits	111,396	151,763
Cash and bank balances	189,612	163,493
	<u>1,570,421</u>	<u>1,141,946</u>
Assets held for sale	<u>18,143</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><b>3,171,085</b></u>	<u><b>2,605,241</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves Attributable to Owners of the Company</b>		
Share capital	547,690	387,444
Share premium	-	160,246
Treasury shares	(2,331)	(2,331)
Exchange translation reserves	(5,512)	(11,469)
Available-for-sale reserve	6	6
Retained profits	355,016	241,995
<b>Equity attributable to owners of the Company</b>	<u>894,869</u>	<u>775,891</u>
Non-controlling interests	96,211	91,913
<b>TOTAL EQUITY</b>	<u><b>991,080</b></u>	<u><b>867,804</b></u>

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2017**

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

	<b>As at 31 December 2017 Unaudited RM'000</b>	<b>As at 31 December 2016 Audited RM'000</b>
<b>LIABILITIES</b>		
<b>Non-Current and Deferred Liabilities</b>		
Loans and borrowings	201,669	-
Deferred tax liabilities	13,128	19,399
Trade and other payables	501,547	97,501
	<u>716,344</u>	<u>116,900</u>
<b>Current Liabilities</b>		
Amounts due to customers on contracts	31,759	22,563
Trade and other payables	618,501	329,545
Provision for warranties	6,929	9,470
Amounts owing to associates	175	181
Amounts owing to joint ventures	3,314	2,977
Loans and borrowings	774,854	1,231,501
Dividend payable	3,566	13,808
Current tax liabilities	24,563	10,492
	<u>1,463,661</u>	<u>1,620,537</u>
<b>TOTAL LIABILITIES</b>	<u>2,180,005</u>	<u>1,737,437</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,171,085</u>	<u>2,605,241</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 2016)

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 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
<b>At 1 January 2017</b>	387,444	160,246	(2,331)	(11,469)	6	241,995	775,891	91,913	867,804
Net profit for the financial year	-	-	-	-	-	113,021	113,021	1,622	114,643
Other comprehensive (expense)/income for the financial year	-	-	-	(6,790)	-	-	(6,790)	1,215	(5,575)
Total comprehensive (expense)/income for the financial year	-	-	-	(6,790)	-	113,021	106,231	2,837	109,068
Transition to no-par value regime on 31 January 2017 (Note)	160,246	(160,246)	-	-	-	-	-	-	-
Total contributions by and distributions to owners	160,246	(160,246)	-	-	-	-	-	-	-
Acquisition of shares in existing subsidiary from non-controlling interest	-	-	-	-	-	-	-	400	400
Disposal of a subsidiary	-	-	-	11,533	-	-	11,533	-	11,533
Liquidation of a joint venture	-	-	-	1,214	-	-	1,214	1,061	2,275
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	12,747	-	-	12,747	1,461	14,208
Total transactions with owners	160,246	(160,246)	-	5,957	-	-	118,978	4,298	123,276
<b>At 31 December 2017</b>	<b>547,690</b>	<b>-</b>	<b>(2,331)</b>	<b>(5,512)</b>	<b>6</b>	<b>335,016</b>	<b>894,869</b>	<b>96,211</b>	<b>991,080</b>

**Company name** : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**  
**Stock name** : **WASEONG**  
**Financial Period Ended** : **31 December 2017**  
**Quarter** : **4**

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

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** : 31 December 2017  
**Quarter** : 4

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 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
<b>At 1 January 2016</b>	387,444	160,246	(1,991)	94,324	6	481,889	1,121,918	103,502	1,225,420
Net loss for the financial year	-	-	-	-	-	(228,302)	(228,302)	(6,252)	(234,554)
Other comprehensive expense for the financial year	-	-	-	(105,793)	-	-	(105,793)	(540)	(106,333)
Total comprehensive expense for the financial year	-	-	-	(105,793)	-	(228,302)	(334,095)	(6,792)	(340,887)
<b>Transactions with owners:</b>									
Shares purchased (including transaction costs)	-	-	(340)	-	-	-	(340)	-	(340)
Cash dividends payable to owners of the Company	-	-	-	-	-	(11,592)	(11,592)	-	(11,592)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(5,497)	(5,497)
Total contributions by and distributions to owners	-	-	(340)	-	-	(11,592)	(11,932)	(5,497)	(17,429)
Incorporation of a new subsidiary	-	-	-	-	-	-	-	300	300
Subscription of rights issues by non-controlling interests of an existing subsidiary	-	-	-	-	-	-	-	400	400
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	-	-	700	700
Total transactions with owners	-	-	(340)	-	-	(11,592)	(11,932)	(4,797)	(16,729)
<b>At 31 December 2016</b>	<b>387,444</b>	<b>160,246</b>	<b>(2,331)</b>	<b>(11,469)</b>	<b>6</b>	<b>241,995</b>	<b>775,891</b>	<b>91,913</b>	<b>867,804</b>

(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** : 31 December 2017  
**Quarter** : 4

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Period To-date Ended 31 December 2017 Unaudited RM'000</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2016 Audited RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	122,605	(225,864)
Adjustments for non-operating items:		
Depreciation and amortisation	146,476	86,869
Other non-cash items	57,055	154,892
Interest expense	41,897	29,907
Interest income	(7,660)	(8,956)
Operating profit before changes in working capital	360,373	36,848
Changes in working capital:		
Net changes in current assets	(114,492)	232,592
Net changes in current liabilities	135,028	(100,170)
Cash generated from operations	380,909	169,270
Interest received	7,660	8,956
Interest paid	(41,897)	(29,907)
Tax paid	(19,144)	(16,901)
<b>Net cash generated from operating activities</b>	327,528	131,418
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(422,892)	(139,796)
Purchase of investment properties	(30)	(51)
Purchase of intangible assets	(25)	(40)
Purchase of prepaid lease payments	-	(27,146)
Acquisition of subsidiaries	(88,982)	-
Proceeds from disposal of property, plant and equipment	78,758	8,403
Proceeds from prepaid lease payments	5,790	-
Proceeds from/(investment in) deposits and short term investment	12,970	(86,868)
Proceed from disposal of asset classified as held for sale	-	20,832
Additional investment in an associate	(9,433)	(52,676)
Additional investment in a joint venture	-	(735)
Dividends received from an associate	4,228	3,462
Dividends received from a joint venture	3,450	-
Subscription of shares in a subsidiary by non-controlling interest	-	300
Net cash (outflow)/inflow from disposal of subsidiaries	(8,368)	989
Net advances to joint ventures	16,852	(20,268)
Net advances to associates	448	(8,986)
<b>Net cash used in investing activities</b>	(407,234)	(302,580)



**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

	<b>Current Period To-date Ended 31 December 2017 Unaudited RM'000</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2016 Audited RM'000</b>
<b>Cash flows from financing activities</b>		
Drawdown of other bank borrowings	1,515,173	1,298,527
Repayments of other bank borrowings	(1,568,759)	(1,317,327)
Drawdown of term loans	3,406	102,113
Repayment of term loans	(117,422)	(78,181)
Drawdown of fixed rate notes	-	30,640
Repayment of fixed rate notes	-	(38,903)
Advances from customer	257,675	92,510
Purchase of treasury shares	-	(340)
Proceeds from non-controlling interests on issuance of shares by subsidiaries	400	400
Dividends paid to non-controlling interests	(10,242)	(1,807)
Dividends paid to equity holders of the Company	-	(11,592)
<b>Net cash generated from financing activities</b>	<b>80,231</b>	<b>76,040</b>
<b>Net changes in cash and cash and cash equivalents</b>	<b>525</b>	<b>(95,122)</b>
<b>Currency translation differences</b>	<b>(1,803)</b>	<b>2,703</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>228,388</b>	<b>320,807</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>227,110</b>	<b>228,388</b>
<b>Cash and cash equivalents at the end of the financial year comprise of the following:</b>		
Time deposits	111,396	151,763
Cash and bank balances	189,612	163,493
Subtotal	301,008	315,256
Less:		
Time deposits with maturity more than 3 months	(55,036)	(57,028)
Short term investments	(18,862)	(29,840)
	<b>227,110</b>	<b>228,388</b>

(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)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
Stock name : WASEONG  
Financial Period Ended : 31 December 2017  
Quarter : 4

## 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.

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

#### 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 year that were unusual due to their nature, size, or incidence.

#### 5. Changes in estimates

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

#### 6. Debt and equity securities

During the fourth quarter of 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 31 December 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 year ended 31 December 2017.

#### 7. Dividends

The Directors did not declare any dividend in the current period.

	<b>Financial Year Ended 31 December 2017</b>	<b>Financial Year Ended 31 December 2016</b>
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** : 31 December 2017  
**Quarter** : 4

## 8. Segment information

	<u>Oil &amp; Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading &amp; Services</u> RM'000	<u>Plantation**</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<b>RESULTS</b>						
<u>Financial year ended 31 December 2017</u>						
Revenue	1,558,949	280,274	520,423	-	134,791	2,494,437
Less: Inter segment revenue	(1,877)	-	-	-	(460)	(2,337)
External revenue	<u>1,557,072</u>	<u>280,274</u>	<u>520,423</u>	<u>-</u>	<u>134,331</u>	<u>2,492,100</u>
Segment profits/(losses)	124,793	28,492	(493)	(8,698)	4,391	148,485
Share of results of associates	137	-	43	(5,043)	-	(4,863)
Share of results of joint ventures	7,088	1,015	-	-	1,774	9,877
	<u>132,018</u>	<u>29,507</u>	<u>(450)</u>	<u>(13,741)</u>	<u>6,165</u>	<u>153,499</u>
Unallocated expenses relating to financing activities						(24,963)
Unallocated corporate expenses						(5,931)
Profit before tax						<u><u>122,605</u></u>
<b>TOTAL ASSETS</b>						
<u>As at 31 December 2017</u>						
Segment assets	1,966,749	333,006	293,867	-	93,712	2,687,334
Investment in associates	184,360	-	863	-	-	185,223
Investment in joint ventures	126,791	2,225	-	-	17,430	146,446
	<u>2,277,900</u>	<u>335,231</u>	<u>294,730</u>	<u>-</u>	<u>111,142</u>	<u>3,019,003</u>
Assets classified as held for sale	18,050		93			18,143
Unallocated corporate assets						
- Deferred tax assets						41,724
- Tax recoverable						15,418
- Cash and cash equivalents						18,155
- Short term investment						18,862
- Others						39,780
Total assets						<u><u>3,171,085</u></u>

\*\*The Plantation segment has been disposed of during the financial year. Refer to Note 10(d).

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

**8. Segment information (continued)**

	<u>Oil &amp; Gas</u> RM'000	<u>Renewable</u> <u>Energy</u> RM'000	<u>Industrial</u> <u>Trading &amp;</u> <u>Services</u> RM'000	<u>Plantation**</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION						
<u>Financial year ended 31 December 2017</u>						
Depreciation of:						
- Property, plant and equipment	136,172	4,647	2,180	-	1,733	144,732
- Investment properties	-	-	12	-	223	235
Amortisation of:						
- Prepaid lease payments	689	-	820	-	-	1,509
Additions of:						
- Property, plant and equipment	418,213	2,993	569	-	1,117	422,892
- Investment properties	-	-	-	-	30	30
Impairment loss on:						
- Trade receivables	-	243	502	-	-	745
- Property, plant and equipment	72,024	-	818	-	-	72,842
- Inventories	-	3,386	1,285	-	-	4,671
Interest income	(3,921)	(1,023)	(1,443)	-	(1,273)	(7,660)
Interest expense	12,628	820	2,881	-	605	16,934

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

**8. Segment information (continued)**

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Plantation RM'000	Others RM'000	Total RM'000
<b>RESULTS</b>						
<u>Financial year ended 31 December 2016</u>						
Revenue	425,383	292,539	496,173	-	65,278	1,279,373
Less: Inter segment revenue	(2,431)	-	-	-	(354)	(2,785)
External revenue	<u>422,952</u>	<u>292,539</u>	<u>496,173</u>	<u>-</u>	<u>64,924</u>	<u>1,276,588</u>
Segment (losses)/profits	(118,782)	35,542	(10,680)	(56,580)	(7,331)	(157,831)
Share of results of associates	(40,597)	-	36	(13,294)	-	(53,855)
Share of results of joint ventures	5,910	30	-	-	1,872	7,812
	<u>(153,469)</u>	<u>35,572</u>	<u>(10,644)</u>	<u>(69,874)</u>	<u>(5,459)</u>	<u>(203,874)</u>
Unallocated expenses relating to financing activities						(19,258)
Unallocated corporate expenses						(2,732)
Profit before tax						<u>(225,864)</u>
<b>TOTAL ASSETS</b>						
<u>As at 31 December 2016</u>						
Segment assets	1,429,782	323,115	270,059	2,049	71,630	2,096,635
Investment in associates	185,115	-	329	29,739	-	215,183
Investment in joint ventures	135,801	1,210	-	-	17,507	154,518
	<u>1,750,698</u>	<u>324,325</u>	<u>270,388</u>	<u>31,788</u>	<u>89,137</u>	<u>2,466,336</u>
Unallocated corporate assets						
- Deferred tax assets						24,525
- Tax recoverable						16,112
- Cash and cash equivalents						70,539
- Others						27,729
Total assets						<u>2,605,241</u>

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

**8. Segment information (continued)**

	<u>Oil &amp; Gas</u> RM'000	<u>Renewable</u> <u>Energy</u> RM'000	<u>Industrial</u> <u>Trading &amp;</u> <u>Services</u> RM'000	<u>Plantation</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION						
<u>Financial year ended 31 December 2016</u>						
Depreciation of:						
- Property, plant and equipment	73,534	4,538	5,057	-	1,790	84,919
- Investment properties	-	-	29	-	343	372
Amortisation of:						
- Prepaid lease payments	827	-	751	-	-	1,578
Additions of:						
- Property, plant and equipment	118,543	19,717	1,303	-	233	139,796
- Investment properties	-	-	40	-	11	51
- Prepaid lease payments	-	-	27,146	-	-	27,146
Impairment loss on:						
- Trade receivables	7,934	442	1,191	-	-	9,567
- Property, plant and equipment	89,492	-	9,619	-	-	99,111
- Investment in an associate	-	-	-	56,487	-	56,487
- Inventories	-	5,815	-	-	-	5,815
Interest income	(4,247)	(561)	(2,172)	-	(1,976)	(8,956)
Interest expense	7,637	16	2,613	-	383	10,649
	<u>7,637</u>	<u>16</u>	<u>2,613</u>	<u>-</u>	<u>383</u>	<u>10,649</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
Stock name : WASEONG  
Financial Period Ended : 31 December 2017  
Quarter : 4

## 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.

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

(a) On 3 November 2017, the Company announced that Excel Tradition Limited, an indirect wholly-owned subsidiary of the Company, had been struck-off on 1 November 2017 from the Register of the British Virgin Islands Financial Services Commission. The notice of striking-off was obtained by the Company from the Virtual Integrated Registry Regulatory General Information Network of the Financial Services Commission in British Virgin Islands on 3 November 2017.

(b) Further to the announcement made on 28 December 2015, the Company had on 11 December 2017 announced that Pesanan Dinamik Sdn Bhd ("PDSB"), a 51% indirect joint venture company of the Company, had held its final meeting for the Member's Voluntary Winding Up on 11 December 2017.

PDSB 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 Official Receiver.

(c) On 15 December 2017, the Company announced that PMT-Phoenix Industries Sdn Bhd ("PMT-Phoenix"), an indirect wholly-owned subsidiary of the Company had at its Extraordinary General Meeting, inter-alia, approved the special resolution to wind up PMT-Phoenix by way of a Member's Voluntary Winding Up.

In order to facilitate the Member's Voluntary Winding Up, Datin Khoo Pek Ling and Mr. Leong Kok Tong of Folks Corporate Services Sdn Bhd of Suite 1102, 11th Floor, Wisma Tun Sambanthan, No. 2, Jalan Sultan Sulaiman, 50000 Kuala Lumpur, Wilayah Persekutuan had been appointed as the Liquidators for PMT-Phoenix.

PMT-Phoenix was incorporated on 2 April 2002 as Phoenix Industries Sdn Bhd ("PISB") under the Companies Act, 1965 with its total issued and paid-up share capital of RM2,450,000.00 comprising 2,450,000 ordinary shares. The change of name from PISB to PMT-Phoenix was effected on 24 October 2008. PMT-Phoenix was principally involved in the manufacturing of industrial fans, component parts and other related services. PMT-Phoenix ceased operations in 2013 and has since remained dormant. PMT-Phoenix is directly wholly-owned by PMT Industries Sdn Bhd which in turn is an indirect wholly-owned subsidiary of the Company.

(d) The Company had on 21 December 2017, announced that the Company had disposed of 2,000,001 ordinary shares in the issued and paid up share capital of WS Agro Industries Pte. Ltd. ("WS Agro"), representing 100% equity interest in WS Agro, for a total cash consideration of USD3,000,000 (hereinafter referred to as "Disposal of WS Agro Shares")

As a result of the Disposal of WS Agro Shares, WS Agro ceased to be a wholly-owned subsidiary of the Company.



Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
Stock name : WASEONG  
Financial Period Ended : 31 December 2017  
Quarter : 4

#### 11. Status of corporate proposals

There are no corporate proposals announced but not completed as at 19 February 2018, 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:

	<b>As at 31 December 2017 RM'000</b>
Approved and contracted for	1,584
Approved but not contracted for	2,785

#### 13. Operating lease commitments

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

	<b>As at 31 December 2017 RM'000</b>
Payable not later than one year	10,080
Payable later than one year and not later than five years	18,049

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
Stock name : WASEONG  
Financial Period Ended : 31 December 2017  
Quarter : 4

#### Other information required by Bursa Malaysia Securities Berhad Main Market Listing Requirements

#### 14. Review of performance of operating segments for the current quarter and financial year ended 31 December 2017

##### Oil & Gas Segment

The Oil & Gas Segment's external revenue for the fourth quarter and financial year ended 31 December 2017 were RM710.5 million and RM1,557.1 million, compared with RM96.9 million and RM423.0 million in the corresponding periods in 2016. In the same periods, the segment had a profit before taxation of RM64.0 million and RM132.0 million respectively, compared with a loss before taxation of RM111.5 million and RM153.5 million in the corresponding periods in 2016.

Excluding one-off items, the segment had a profit before taxation for the fourth quarter and financial year ended 31 December 2017 of RM36.6 million and RM104.6 million, compared with a loss before taxation of RM22.0 million and RM64.0 million in the corresponding periods 2016.

This significant increases reflected a direct contribution of increased project execution in the periods under review arising from the order book commitments at the beginning of the financial year 2017.

The results were further improved by a one-off gain of RM27.4 million in the fourth quarter and financial year ended 31 December 2017 arising from the gain on sales and leaseback of land offset by impairment of certain idle assets.

##### Renewable Energy Segment

The Renewable Energy Segment's external revenue for the fourth quarter and financial year ended 31 December 2017 were RM85.6 million and RM280.3 million, compared with RM72.4 million and RM292.5 million in the corresponding periods in 2016. In the same periods, profit before taxation were RM12.1 million and RM29.5 million, compared with RM11.1 million and RM35.6 million in the corresponding periods in 2016.

Higher revenue in the fourth quarter was contributed by equipment fabrication and the boiler business. However, for the financial year it recorded a comparative decline of approximately 4%. In line with this performance, the profit before tax for the fourth quarter registered an improvement over the corresponding period while for the financial year; it registered a decline due to compressed profit margins and provision for impairment of inventories.

##### Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the fourth quarter and financial year ended 31 December 2017 were RM147.5 million and RM520.4 million, compared with RM135.1 million and RM496.2 million in the corresponding periods in 2016. In the same periods, the segment recorded a profit before taxation of RM0.4 million and a loss before taxation of RM0.5 million respectively, compared with loss before taxation of RM16.2 million and RM10.6 million in the corresponding periods in 2016.

The increase in revenue compared with the preceding year was due to higher sales from the trading of building materials contributed mainly by sale of cement and steel bars and revenue from the sale and servicing of construction equipment and power generation systems. The loss before taxation decreased compared with the corresponding periods due to the impairment of plant and machinery and inventories associated with the closure of the pipe manufacturing business recognised in 2016.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
Stock name : WASEONG  
Financial Period Ended : 31 December 2017  
Quarter : 4

**14. Review of performance of operating segments for the current quarter and financial year ended 31 December 2017 (continued)**

Plantation

The Plantation Segment reported a loss before taxation for the fourth quarter and financial year ended 31 December 2017 of RM9.7 million and RM13.7 million respectively, compared with loss before taxation of RM68.4 million and RM69.9 million in the corresponding periods in 2016. The loss in the quarter reflected mainly the realisation of loss on foreign currency exchange on the investment which has since been disposed on 21 December 2017.

**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 RM61.9 million in the current quarter compared with a profit before taxation of RM42.6 million in the previous quarter. The increase in profit was contributed by the increasing project execution activities in the oil and gas segment as well as a one-off gain from sales and leaseback of land which was offset by the impairment of assets.

**16. Current period prospects**

The Group's current order book is RM2.8 billion, comprising RM2.5 billion in Oil & Gas, RM249.7 million in Renewable Energy and RM70.6 million in Industrial Trading & Services. This order book will ensure that the Group has a good flow of work for execution in 2018 and therefore, barring unforeseen circumstances, contribute positively to the Group results in 2018.

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

#### 17. Profit/(loss) before tax

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 31 December 2016 RM'000</b>	<b>Financial Year Ended 31 December 2017 RM'000</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2016 RM'000</b>
Profit/(loss) before tax is stated after charging/(crediting) the following items:				
Interest income	(3,665)	(1,885)	(8,104)	(8,956)
Depreciation and amortisation	60,186	25,315	146,476	86,869
Impairment loss and write off of receivables - net	1,438	9,575	1,753	9,617
Impairment loss and write-off of inventories - net	20	6,586	3,860	7,175
Gain on disposal of property, plant and equipment	(36,662)	-	(36,662)	-
Gain on disposal of prepaid lease payments	(63,968)	-	(63,968)	-
Gain on disposal of asset classified as held for sale	-	-	-	(10,541)
Net foreign exchange loss/(gain)	(513)	(4,729)	3,327	(4,193)
Impairment loss on property, plant and equipment	72,842	99,111	72,842	99,111
Impairment loss on investment in an associate	-	56,487	-	56,487

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.

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

## 18. Taxation

Taxation comprises the following:

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Financial Year Ended 31 December 2017 RM'000</b>
Tax expense		
- Malaysian tax	2,945	13,681
- Foreign tax	(15,262)	(5,719)
	<u>(12,317)</u>	<u>7,962</u>

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

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Financial Year Ended 31 December 2017 RM'000</b>
Profit before tax	<u>61,928</u>	<u>122,605</u>
Tax expense at the statutory tax rate – 24%	14,863	29,425
Other tax adjustments	(24,093)	(16,849)
Overprovision in prior financial year	(3,087)	(4,614)
	<u>(27,180)</u>	<u>(21,463)</u>
Taxation	<u>(12,317)</u>	<u>7,962</u>

## 19. Profit forecast

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

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

## 20. Group's borrowings and debt securities

	<b>31 December 2017 RM'000</b>
<b><u>Unsecured</u></b>	
<b>Short term borrowings</b>	
Revolving credits	515,194
Term loans	111,426
Trade financing	118,217
Fixed rate notes	30,017
<b>Sub-total</b>	<b>774,854</b>
<b><u>Unsecured</u></b>	
<b>Long term borrowings</b>	
Term loans	113,169
Revolving credits	88,500
	<b>201,669</b>
<b>Total borrowings</b>	<b>976,523</b>

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

	<b>RM'000</b>
Ringgit Malaysia	220,145
United States Dollar	722,182
Australian Dollar	23,482
Euro Dollar	10,714
	<b>976,523</b>

## 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 year ended 31 December 2017 are as follows:

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 31 December 2016 RM'000</b>	<b>Financial Year Ended 31 December 2017 RM'000</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2016 RM'000</b>
Balance as at				
-1 January	-	-	591	(431)
-1 October	(6)	98	-	-
Fair value (loss)/gain recognised in:				
- profit or loss	111	504	(487)	995
- other comprehensive income	(1)	(11)	-	27
Balance as at 31 December	104	591	104	591

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

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

	<b>31 December 2017 RM'000</b>	<b>31 December 2016 RM'000</b>
Represented by:		
Available-for-sale financial assets carried at fair value	10	10
Derivative financial assets	94	581
	104	591

**Fair value hierarchy**

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

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

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>31 December 2017</u>				
<u>Financial assets</u>				
Available-for-sale financial assets	10	-	-	10
Derivative financial liabilities	-	94	-	94
	-	94	-	94

Valuation techniques used to derive Level 2 fair values

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

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

**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

## 22. Material litigation

Save as disclosed below, there were no material litigations pending or changes to the status of material litigations since the last annual balance sheet date up to 19 February 2017.

On 8 November 2017, Bauhuis B.V. ("Bauhuis") commenced a Request for Arbitration against the Company's indirect wholly-owned subsidiary, Wasco Coating HK Limited ("WCHKL").

Pursuant to the Request for Arbitration, Bauhuis estimates its claims in the arbitration to be EUR3,900,000 resulting from monies outstanding under the Contract No. 015-117 dated 2 September 2015 for the supply of pipe-coating equipment to be installed and commissioned by Bauhuis at a pipe manufacturing plant in Regina, Canada between Bauhuis and WCHKL.

WCHKL had on 30 December 2017 entered into a Settlement Agreement ("SA") with Bauhuis, whereby WCHKL agreed to a full and final settlement of Bauhuis' claim by way of payment of EUR500,000 ("Settlement Sum") to Bauhuis.

On 11 January 2017, Bauhuis' solicitor notified the London Court of International Arbitration to discontinue the arbitration proceeding.

For consistency, the abbreviations used here shall have the same meaning as defined in the announcements dated 8 November 2017 and 10 November 2017 respectively.

## 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 of RM0.50 each in issue after adjusting for movements in treasury shares in the same financial quarter/period:

	<b>Current Quarter Ended 31 December 2017</b>	<b>Preceding Year Corresponding Quarter Ended 31 December 2016</b>	<b>Financial Year Ended 31 December 2017</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2016</b>
Net profit attributable to the owners of the Company (RM'000)	65,964	(198,325)	113,021	(228,302)
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	772,811
Basic/diluted earnings per share (sen)	8.54	(25.66)	14.63	(29.54)



**Company name** : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)  
**Stock name** : WASEONG  
**Financial Period Ended** : 31 December 2017  
**Quarter** : 4

**24. Contingent liabilities**

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

**By Order of the Board**

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

**Kuala Lumpur**