

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
 Stock name : WASEONG
 Financial Period Ended : 31 March 2020
 Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 March 2020 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 March 2019 Unaudited RM'000	Current Period To-date Ended 31 March 2020 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2019 Unaudited RM'000
Gross revenue	326,740	683,755	326,740	683,755
Cost of sales	(303,169)	(600,215)	(303,169)	(600,215)
Gross profit	23,571	83,540	23,571	83,540
Other operating income	26,830	11,353	26,830	11,353
Selling and distribution expenses	(8,500)	(7,213)	(8,500)	(7,213)
Administrative and general expenses	(63,732)	(48,844)	(63,732)	(48,844)
Other gains/(losses) - net	277	(120)	277	(120)
Finance costs	(12,329)	(12,434)	(12,329)	(12,434)
Share of results of associates and joint ventures	(9,373)	(25)	(9,373)	(25)
(Loss)/Profit before tax	(43,256)	26,257	(43,256)	26,257
Taxation	(2,947)	(10,346)	(2,947)	(10,346)
Net (loss)/profit for the financial period	(46,203)	15,911	(46,203)	15,911
Net (loss)/profit attributable to:				
- Owners of the Company	(44,426)	20,201	(44,426)	20,201
- Non-controlling interests	(1,777)	(4,290)	(1,777)	(4,290)
	(46,203)	15,911	(46,203)	15,911
Earnings per share				
- Basic earnings per share (sen)	(5.77)	2.62	(5.77)	2.62
- Diluted earnings per share (sen)	(5.77)	2.62	(5.77)	2.62

(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 2019)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
 Stock name : WASEONG
 Financial Period Ended : 31 March 2020
 Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 March 2020 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 March 2019 Unaudited RM'000	Current Period To-date Ended 31 March 2020 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2019 Unaudited RM'000
Net (loss)/profit for the financial period	(46,203)	15,911	(46,203)	15,911
Other comprehensive income, net of tax:				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Share of other comprehensive income of an associate, net of tax	341	763	341	763
Foreign currency translation differences for foreign operations	10,550	2,418	10,550	2,418
	10,891	3,181	10,891	3,181
Total comprehensive (expense)/income for the financial period	(35,312)	19,092	(35,312)	19,092
Total comprehensive (expense)/income attributable to:				
- Owners of the Company	(33,749)	23,206	(33,749)	23,206
- Non-controlling interests	(1,563)	(4,114)	(1,563)	(4,114)
	(35,312)	19,092	(35,312)	19,092

(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 2019)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March 2020 Unaudited RM'000	As at 31 December 2019 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	648,476	672,852
Right-of-use assets	310,501	314,428
Investment properties	9,389	9,340
Goodwill and other intangible assets	151,037	144,014
Deferred tax assets	54,131	52,567
Investment in associates	204,769	207,827
Investment in joint ventures	108,143	111,627
Finance lease receivables	2,750	5,474
Contract assets	96,911	88,738
Investment in equity instruments	4	6
	<u>1,586,111</u>	<u>1,606,873</u>
Current Assets		
Inventories	251,686	267,078
Contract assets	101,389	119,373
Trade and other receivables	472,295	439,848
Amounts owing by associates	17,245	20,386
Amounts owing by joint ventures	42,745	47,803
Finance lease receivables	12,602	12,352
Tax recoverable	4,002	3,071
Derivative financial assets	2,741	1,101
Time deposits	60,764	52,765
Cash and bank balances	136,322	94,700
	<u>1,101,791</u>	<u>1,058,477</u>
TOTAL ASSETS	<u>2,687,902</u>	<u>2,665,350</u>
EQUITY AND LIABILITIES		
Capital and Reserves Attributable to Owners of the Company		
Share capital	547,690	547,690
Treasury shares	(4,779)	(4,779)
Exchange translation reserves	6,082	(4,595)
Retained profits	389,967	441,630
Equity attributable to owners of the Company	<u>938,960</u>	<u>979,946</u>
Non-controlling interests	59,689	61,252
TOTAL EQUITY	<u>998,649</u>	<u>1,041,198</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	As at 31 March 2020 Unaudited RM'000	As at 31 December 2019 Audited RM'000
LIABILITIES		
Non-Current and Deferred Liabilities		
Deferred tax liabilities	12,271	11,915
Lease liabilities	219,068	220,717
Trade and other payables	8,369	7,674
Loans and borrowings	212,235	217,959
	<u>451,943</u>	<u>458,265</u>
Current Liabilities		
Lease liabilities	14,127	14,047
Contract liabilities	98,217	62,916
Trade and other payables	286,197	291,746
Provision for warranties	9,137	9,061
Amounts owing to associates	13	33
Amounts owing to joint ventures	6,005	5,546
Loans and borrowings	758,431	730,136
Dividend payable	29,309	21,904
Current tax liabilities	32,598	28,638
Derivative financial liabilities	3,276	1,860
	<u>1,237,310</u>	<u>1,165,887</u>
TOTAL LIABILITIES	<u>1,689,253</u>	<u>1,624,152</u>
TOTAL EQUITY AND LIABILITIES	<u>2,687,902</u>	<u>2,665,350</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 2019)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have not been audited

	----- Attributable to owners of the Company -----				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Exchange translation reserves RM'000	Retained profits RM'000			
At 1 January 2020	547,690	(4,779)	(4,595)	441,630	979,946	61,252	1,041,198
Net (loss)/profit for the financial period	-	-	-	(44,426)	(44,426)	(1,777)	(46,203)
Other comprehensive income for the financial period	-	-	10,677	-	10,677	214	10,891
Total comprehensive income/(expense) for the financial period	-	-	10,677	(44,426)	(33,749)	(1,563)	(35,312)
Cash dividends payable to owners of the Company	-	-	-	(3,082)	(3,082)	-	(3,082)
Share dividends distributable to owners of the Company	-	-	-	(4,155)	(4,155)	-	(4,155)
Total contributions by and distribution to owners	-	-	-	(7,237)	(7,237)	-	(7,237)
At 31 March 2020	547,690	(4,779)	6,082	389,967	938,960	59,689	998,649

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have not been audited

	----- Attributable to owners of the Company -----				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Exchange translation reserves RM'000	Retained profits RM'000			
At 1 January 2019	547,690	(4,779)	(4,679)	417,494	955,726	81,118	1,036,844
Net profit/(loss) for the financial period	-	-	-	20,201	20,201	(4,290)	15,911
Other comprehensive income/(expense) for the financial period	-	-	3,005	-	3,005	176	3,181
Total comprehensive income/(expense) for the financial period	-	-	3,005	20,201	23,206	(4,114)	19,092
Liquidation of a subsidiary	-	-	-	-	-	(369)	(369)
Issuance of new shares to non-controlling interests of an existing subsidiary	-	-	-	-	-	490	490
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	121	121
At 31 March 2019	547,690	(4,779)	(1,674)	437,695	978,932	77,125	1,056,057

(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 2019)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period To-date Ended 31 March 2020 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2019 Unaudited RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(43,256)	26,257
Adjustments for non-operating items:		
Depreciation and amortisation	28,576	44,181
Other non-cash items	11,828	(16,162)
Interest expense	12,329	12,434
Interest income	(1,179)	(1,458)
Operating profit before changes in working capital	8,298	65,252
Changes in working capital:		
Net changes in current assets	3,198	(16,811)
Net changes in current liabilities	26,177	48,967
Cash generated from operations	37,673	97,408
Interest received	1,179	1,458
Interest paid	(12,329)	(12,434)
Tax paid	(2,025)	(4,038)
Net cash generated from operating activities	24,498	82,394
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,772)	(19,934)
Purchase of investment properties	(106)	-
Proceeds from disposal of property, plant and equipment	32,277	-
Proceeds from disposal of investment properties	14,105	-
Transfer (to)/from deposits and short term investment	(949)	16,863
Dividends received from an associate	1,731	-
Net amount from/(to) associates	162	(25)
Net amount to joint ventures	(938)	(804)
Net cash generated from/(used in) investing activities	38,510	(3,900)
Cash flows from financing activities		
Drawdown of other bank borrowings	130,683	261,335
Repayments of other bank borrowings	(128,158)	(255,323)
Drawdown of term loans	23,073	29,146
Repayment of term loans	(41,154)	(17,816)
Utilisation of advances from customer	-	(119,826)
Principal elements of lease payments	(3,452)	(2,900)
Net cash used in financing activities	(19,008)	(105,384)
Net changes in cash and cash equivalents	44,000	(26,890)
Currency translation differences	4,672	(2,025)
Cash and cash equivalents at beginning of the financial period	124,172	215,259
Cash and cash equivalents at end of the financial period	172,844	186,344

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Period To-date Ended 31 March 2020 Unaudited RM'000	Preceding Corresponding Period To-date Ended 31 March 2019 Unaudited RM'000
Cash and cash equivalents at the end of the financial period comprise of the following:		
Time deposits	60,764	53,167
Cash and bank balances	136,322	133,791
Subtotal	<u>197,086</u>	<u>186,958</u>
Less:		
Time deposits with maturity more than 3 months	(23,619)	-
Short term investments	(623)	(614)
	<u>172,844</u>	<u>186,344</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

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 2019. 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 2019.

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 2019, except for the adoption of the following Amendments to MFRS beginning 1 January 2020:

Amendments to MFRS 3, MFRS 101, MFRS 108, MFRS 110, MFRS 134 and MFRS 137	Amendments to References to the Conceptual Framework in MFRS Standards
---	--

Amendments to MFRS 101 and MFRS 108	Definition of Material
-------------------------------------	------------------------

Amendments to MFRS 3	Definition of a Business
----------------------	--------------------------

The adoption of the revised standards and amendments that are applicable from the financial year beginning on 1 January 2020 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 2022

Amendments to MFRS 101	Classifications of Liabilities as Current or Non-current
------------------------	--

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 elsewhere in this financial report, there were no other material items affecting assets, liabilities, equity, net income, or cash flows for the financial period/year that were unusual due to their nature, size, or incidence.

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 March 2020**
Quarter : **1**

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 first quarter of 2020, 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 4,426,938 treasury shares as at 31 March 2020.

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 31 March 2020.

7. Dividends

On 18 February 2020, the Directors declared a first interim dividend of 1.00 sen per share in respect of financial year ending 31 December 2020 comprising:-

- a) Single tier cash dividend of 0.40 sen per share amounting to RM3,081,845; and
- b) Single tier share dividend of 3,849,884 treasury shares distributed to the shareholders of Wah Seong Corporation Berhad ("WSC") on the basis of one (1) WSC treasury share for every two hundred (200) existing WSC ordinary shares held at the entitlement date on 12 March 2020. Based on the share price of WSC shares of RM1.20 each as at 31 December 2019, the value of the share dividend per WSC share is equivalent to a gross cash dividend of 0.60 sen per share.

The first interim dividend was paid/credited into the entitled shareholders' securities accounts on 8 April 2020.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

8. Segment information

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Others RM'000	Total RM'000
RESULTS					
<u>Financial period ended 31 March 2020</u>					
Revenue	117,020	76,284	79,208	54,930	327,442
Less: Inter segment revenue	(606)	-	-	(96)	(702)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
External revenue	116,414	76,284	79,208	54,834	326,740
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Segment profits	(23,780)	1,870	1,062	(1,895)	(22,743)
Share of results of associates	(3,897)	-	-	(1)	(3,898)
Share of results of joint ventures	(4,906)	(64)	-	(505)	(5,475)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(32,583)	1,806	1,062	(2,401)	(32,116)
Unallocated expenses relating to financing activities					(4,381)
Unallocated corporate expenses					(6,759)
					<hr/>
Loss before tax					<u>(43,256)</u>
TOTAL ASSETS					
<u>As at 31 March 2020</u>					
Segment assets	1,469,140	470,921	236,453	71,167	2,247,681
Investment in associates	204,549	-	220	-	204,769
Investment in joint ventures	84,700	5,232	-	18,211	108,143
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,758,389	476,153	236,673	89,378	2,560,593
Unallocated corporate assets					
- Deferred tax assets					54,131
- Tax recoverable					4,002
- Cash and cash equivalents					36,374
- Short term investment					623
- Others					32,179
					<hr/>
Total assets					<u>2,687,902</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable</u> <u>Energy</u> RM'000	<u>Industrial</u> <u>Trading &</u> <u>Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2020</u>					
Depreciation of:					
- Property, plant and equipment	20,556	1,273	575	387	22,791
- Investment properties	-	-	1	25	26
- Right-of-use assets	5,016	-	452	291	5,759
Additions of:					
- Property, plant and equipment	4,348	2,721	301	402	7,772
Impairment loss/(reversal of impairment loss) on:					
- Receivables	-	(4)	659	-	655
- Inventories	61	-	1	-	62
- Amount owing by a joint venture	8,187	-	-	-	8,187
Interest income	(650)	(133)	(381)	(15)	(1,179)
Interest expense					
- Loans and borrowings	2,350	1,995	549	172	5,066
- Lease liabilities	2,799	-	45	38	2,882
	<u>2,799</u>	<u>-</u>	<u>45</u>	<u>38</u>	<u>2,882</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable</u> <u>Energy</u> RM'000	<u>Industrial</u> <u>Trading &</u> <u>Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2020</u>					
Revenue comprise of:					
- Revenue from contracts with customers	111,350	76,284	78,761	54,828	321,223
- Revenue from other sources	5,064	-	447	6	5,517
	<u>116,414</u>	<u>76,284</u>	<u>79,208</u>	<u>54,834</u>	<u>326,740</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	70,132	45,289	-	46,698	162,119
- At a point in time	41,218	30,995	78,761	8,130	159,104
	<u>111,350</u>	<u>76,284</u>	<u>78,761</u>	<u>54,828</u>	<u>321,223</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
RESULTS					
<u>Financial period ended 31 March 2019</u>					
Revenue	440,421	84,745	116,973	41,822	683,961
Less: Inter segment revenue	(104)	-	-	(102)	(206)
External revenue	<u>440,317</u>	<u>84,745</u>	<u>116,973</u>	<u>41,720</u>	<u>683,755</u>
Segment profits	24,495	7,409	366	583	32,853
Share of results of associates	4,158	-	-	(1)	4,157
Share of results of joint ventures	(4,410)	190	-	38	(4,182)
	<u>24,243</u>	<u>7,599</u>	<u>366</u>	<u>620</u>	<u>32,828</u>
Unallocated expenses relating to financing activities					(4,451)
Unallocated corporate expenses					(2,120)
Profit before tax					<u><u>26,257</u></u>
TOTAL ASSETS					
<u>As at 31 March 2019</u>					
Segment assets	1,657,111	418,079	264,487	74,952	2,414,629
Investment in associates	191,371	-	165	-	191,536
Investment in joint ventures	116,617	3,921	-	18,245	138,783
	<u>1,965,099</u>	<u>422,000</u>	<u>264,652</u>	<u>93,197</u>	<u>2,744,948</u>
Unallocated corporate assets					
- Deferred tax assets					45,009
- Tax recoverable					13,252
- Cash and cash equivalents					7,589
- Short term investment					614
- Others					37,716
Total assets					<u><u>2,849,128</u></u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable</u> <u>Energy</u> RM'000	<u>Industrial</u> <u>Trading &</u> <u>Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2019</u>					
Depreciation of:					
- Property, plant and equipment	37,248	1,203	506	297	39,254
- Investment properties	-	-	1	60	61
- Right-of-use assets	4,534	-	-	-	4,534
Amortisation of:					
- Prepaid lease payments	127	-	205	-	332
Additions of:					
- Property, plant and equipment	17,205	882	1,249	598	19,934
(Reversal of)/Impairment loss on:					
- Receivables	(2,721)	(871)	(165)	-	(3,757)
- Inventories	162	-	76	-	238
Interest income	(855)	(239)	(332)	(32)	(1,458)
Interest expense					
- Loans and borrowings	2,673	1,948	851	167	5,639
- Lease liabilities	2,344	-	-	-	2,344
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable</u> <u>Energy</u> RM'000	<u>Industrial</u> <u>Trading &</u> <u>Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial period ended 31 March 2019</u>					
Revenue comprise of:					
- Revenue from contracts with customers	432,113	84,745	116,937	41,713	675,508
- Revenue from other sources	8,204	-	36	7	8,247
	<u>440,317</u>	<u>84,745</u>	<u>116,973</u>	<u>41,720</u>	<u>683,755</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	415,608	47,222	-	1,326	464,156
- At a point in time	16,505	37,523	116,937	40,387	211,352
	<u>432,113</u>	<u>84,745</u>	<u>116,937</u>	<u>41,713</u>	<u>675,508</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

9. Events after the reporting period

There were no material events subsequent to the financial period ended 31 March 2020.

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

There were no changes in the composition of the Group during the current quarter and period to-date ended 31 March 2020, except for the following:

ACQUISITION OF 80 AND 20 ORDINARY SHARES, REPRESENTING 80% AND 20% EQUITY INTEREST IN STH EDARAN SDN BHD (FORMERLY KNOWN AS LT STEAM ENERGY SDN BHD) BY SYN TAI HUNG MARKETING SDN BHD, AN INDIRECT 60%-OWNED SUBSIDIARY OF THE COMPANY FROM CHUAH CHONG SHENG AND OOI GIAP HWA

Syn Tai Hung Marketing Sdn Bhd (Company No. 338037-U) ("**STH Marketing**"), an indirect 60%-owned subsidiary of the Company had on 2 March 2020 acquired 80 and 20 ordinary shares, representing 80% and 20% equity interest respectively in the issued and paid-up share capital of STH Edaran Sdn Bhd (formerly known as LT Steam Energy Sdn Bhd) (Company No. 934714-X) ("**STH Edaran**") from Chuah Chong Sheng (NRIC No.: 760901-08-5681) and Ooi Giap Hwa (NRIC No.: 720608-02-5245) for a total cash consideration of Ringgit Malaysia One Hundred (RM100.00) only ("**Acquisition of STH Edaran shares**").

Upon the completion of the Acquisition of STH Edaran shares, STH Edaran shall become a wholly-owned subsidiary of STH Marketing and an indirect subsidiary of the Company.

The Acquisition of STH Edaran shares was not expected to have any material effect on the earnings, net assets and gearing of WSC for the financial year ending 31 December 2020.

None of the Directors, major shareholders of WSC and/or persons connected to them have any interest, direct or indirect, in the abovesaid Acquisition of STH Edaran shares.

11. Significant events during the reporting period

There were no significant events during the current quarter and period to-date ended 31 March 2020.

12. Status of corporate proposals

There were no corporate proposals announced but not completed as at the reporting date.

13. Capital commitments

Capital commitments not provided for in the interim report:

	As at 31 March 2020 RM'000
Approved and contracted for	<u>4,865</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

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 31 March 2020

Oil & Gas Segment

The Oil & Gas Segment's external revenue for the first quarter and financial period ended 31 March 2020 were RM116.4 million, compared with RM440.3 million in the corresponding periods in 2019. The segment had loss before tax of RM32.6 million, compared with profit before tax of RM24.2 million in the corresponding periods in 2019.

The lack of large new projects in the market to replenish the revenue generated from a major project secured in 2016 and completed during the financial year 2019 has resulted in the significant decrease in revenue for the quarter under review. This drop in revenue and impairment losses recognised by a joint venture resulted in the segment reporting a loss in the quarter under review.

Renewable Energy Segment

The Renewable Energy Segment's external revenue for the first quarter and financial period ended 31 March 2020 were RM76.3 million, compared with RM84.7 million in the corresponding periods in 2019. In the same period, profit before tax were RM1.8 million, compared with RM7.6 million in the corresponding periods in 2019.

As compared to the corresponding quarter in 2019, the lower current quarter revenue was due mainly to lower revenue generated by the boiler and Agro-Industries business despite substantial increased revenue and activities in the process equipment fabrication businesses. The impact of festive season and Movement Control Order ("MCO") in first quarter also contribute to the lower revenue.

The lower profit before tax for the current quarter compared with the corresponding quarter in 2019, resulted from lower activities and higher operating expenses for the division.

Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the first quarter and financial period ended 31 March 2020 were RM79.2 million, compared with RM117.0 million in the corresponding periods in 2019. In the same period, the segment recorded a profit before tax of RM1.1 million, compared with profit before tax of RM0.4 million in the corresponding periods in 2019.

Lower revenue in current quarter was due mainly to the general slowdown in the construction sector, festive season and MCO for the second half of March 2020.

Compared with the corresponding quarter in 2019, the higher profit before tax was contributed by unrealised forex gain on forward contracts as a result of effective hedging management.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

15. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The Group recorded a loss before taxation of RM43.3 million (RM33.3 million after excluding impairment) in the current quarter, compared with a loss before taxation of RM63.8 million (RM11.1 million after excluding impairment) in the previous quarter. The weaker result excluding impairment was due to a reduction in revenue brought about by a lower level of market activities in the segments that the Group participates.

16. Prospects

The Group's current order book of RM900.0 million comprises RM528.6 million in Oil & Gas segment, RM326.2 million in the Renewable Energy segment, and RM45.2 million in the Industrial Trading & Services segment.

The significant worsening of the macroeconomic outlook as a result of Covid-19 and sharp decline in crude oil prices, will have adverse financial impact on the Group's results for the current financial year. The Group is formulating and implementing various strategies and measures to counter the adverse financial impact to enable the Group to weather the turbulent times.

The Directors are monitoring the situation closely and will continue to assess the impact on the Group's operations and performance, and take appropriate action to mitigate the impact.

17. (Loss)/Profit before tax

	Current Quarter Ended 31 March 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2019 RM'000	Current Period To- date Ended 31 March 2020 RM'000	Preceding Corresponding Period To- date Ended 31 March 2019 RM'000
(Loss)/Profit before tax is stated after charging/(crediting) the following items:				
Interest income	(1,179)	(1,458)	(1,179)	(1,458)
Depreciation and amortisation	28,576	44,181	28,576	44,181
Impairment loss/(reversal) on receivables - net	655	(3,757)	655	(3,757)
Impairment loss and write-off of inventories - net	62	238	62	238
Impairment loss on amount owing by a joint venture	8,187	-	8,187	-
Net foreign exchange (gain)/loss	(6,368)	2,379	(3,985)	2,379
Gain on disposal of property, plant and equipment	(1,954)	(8)	(1,954)	(8)

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 March 2020
Quarter : 1

18. Taxation

Taxation comprises the following:

	Current Quarter Ended 31 March 2020 RM'000	Period To-date Ended 31 March 2020 RM'000
Tax expense		
- Malaysian tax	(292)	(292)
- Foreign tax	3,239	3,239
	<u>2,947</u>	<u>2,947</u>

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

	Current Quarter Ended 31 March 2020 RM'000	Period To-date Ended 31 March 2020 RM'000
Loss before tax	<u>(43,256)</u>	<u>(43,256)</u>
Tax expense at the statutory tax rate – 24%	(10,381)	(10,381)
Other tax adjustments	14,076	14,076
Overprovision in prior financial year	(748)	(748)
	<u>13,328</u>	<u>13,328</u>
Taxation	<u>2,947</u>	<u>2,947</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 March 2020
 Quarter : 1

20. Group's borrowings and debt securities

	As at 31 March 2020 RM'000
Unsecured	
Short term borrowings	
Revolving credits	540,430
Term loans	74,479
Trade financing	123,013
Fixed rate notes	20,509
	<hr/> 758,431
Long term borrowings	
Term loans	212,235
	<hr/> 970,666
Total borrowings	<hr/> 970,666

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

United States Dollar	691,323
Ringgit Malaysia	232,925
Australian Dollar	25,620
Euro Dollar	19,672
Singapore Dollar	588
British Pound	538
	<hr/> 970,666

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 31 March 2020 are as follows:

	Current Quarter Ended 31 March 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2019 RM'000	Current Period To-date Ended 31 March 2020 RM'000	Preceding Corresponding Period To-date Ended 31 March 2019 RM'000
Balance as at - 1 January	(753)	152	(753)	152
Fair value (loss)/gain recognised in:				
- profit or loss	277	(120)	277	(120)
Effect of changes in exchange rate	(55)	(2)	(55)	(2)
Balance as at 31 March	<hr/> (531)	<hr/> 30	<hr/> (531)	<hr/> 30

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

21. Fair value of financial instruments (continued)

	As at 31 March 2020 RM'000	As at 31 March 2019 RM'000
Represented by:		
Investment in equity instruments carried at fair value	4	8
Derivative financial assets	2,741	57
Derivative financial liabilities	(3,276)	(35)
	<u>(531)</u>	<u>30</u>

Fair value hierarchy

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

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

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>31 March 2020</u>				
<u>Financial assets</u>				
Investment in equity instruments	4	-	-	4
Derivative financial assets	-	2,741	-	2,741
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(3,276)	-	(3,276)

Valuation techniques used to derive Level 2 fair values

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

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

22. Material litigation

There were no material litigations pending as at this reporting date.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 March 2020
Quarter : 1

23. Earnings per share (EPS)

Basic and diluted earnings per share

The basic and diluted earnings per share have been computed based on net profit attributable to the owners of the Company for the current financial quarter/period divided by the weighted average number of ordinary shares after adjusting for movements in treasury shares in the same financial quarter/period:

	Current Quarter Ended 31 March 2020	Preceding Year Corresponding Quarter Ended 31 March 2019	Current Period To-date Ended 31 March 2020	Preceding Corresponding Period To-date Ended 31 March 2019
Net (loss)/profit attributable to the owners of the Company (RM'000)	(44,426)	20,201	(44,426)	20,201
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	770,461	770,461	770,461	770,461
Basic/diluted earnings per share (sen)	(5.77)	2.62	(5.77)	2.62

24. Contingent liabilities

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

25. Authorisation for issue

This Quarterly Report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' Meeting held on 20 May 2020.