

Company name : WAH SEONG CORPORATION BERHAD  
 (Registration No.: 199901020946 (495846-A))  
 Stock name : WASEONG  
 Financial Period Ended : 31 December 2020  
 Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 December 2020 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2019 Unaudited RM'000	Financial Year Ended 31 December 2020 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2019 Audited RM'000
Gross revenue	385,953	429,250	1,409,107	2,514,916
Cost of sales	(316,042)	(354,587)	(1,229,435)	(2,206,858)
<b>Gross profit</b>	<b>69,911</b>	<b>74,663</b>	<b>179,672</b>	<b>308,058</b>
Other operating income	28,174	15,942	64,186	36,528
Selling and distribution expenses	(8,284)	(8,458)	(31,951)	(32,389)
Administrative and general expenses	(47,657)	(59,168)	(208,950)	(192,253)
Impairment of assets	2,330	(57,289)	(217,017)	(55,063)
Other gains/(losses) - net	2,606	(965)	2,958	(896)
Finance costs	(8,666)	(15,151)	(43,391)	(54,652)
Share of results of associates and joint ventures	2,746	(13,405)	(13,531)	(3,771)
<b>Profit/(Loss) before tax</b>	<b>41,160</b>	<b>(63,831)</b>	<b>(268,024)</b>	<b>5,562</b>
Tax (expense)/credit	(7,488)	30,630	(38,678)	8,005
<b>Net profit/(loss) for the financial period/year</b>	<b>33,672</b>	<b>(33,201)</b>	<b>(306,702)</b>	<b>13,567</b>
<b>Net profit/(loss) attributable to:</b>				
- Owners of the Company	34,739	(30,593)	(295,149)	24,136
- Non-controlling interests	(1,067)	(2,608)	(11,553)	(10,569)
	<b>33,672</b>	<b>(33,201)</b>	<b>(306,702)</b>	<b>13,567</b>
Earnings per share				
- Basic earnings per share (sen)	4.49	(3.97)	(38.17)	3.13
- Diluted earnings per share (sen)	4.49	(3.97)	(38.17)	3.13

(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  
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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31 December 2020 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2019 Unaudited RM'000	Financial Year Ended 31 December 2020 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2019 Audited RM'000
<b>Net profit/(loss) for the financial period/year</b>	<b>33,672</b>	<b>(33,201)</b>	<b>(306,702)</b>	<b>13,567</b>
<b>Other comprehensive income/(expense), net of tax:</b>				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Share of other comprehensive expense of an associate, net of tax	(972)	(103)	(126)	(170)
Share of other comprehensive expense of joint ventures, net of tax	-	(854)	-	(854)
Foreign currency translation differences for foreign operations	11,348	(1,178)	19,230	1,130
	<u>10,376</u>	<u>(2,135)</u>	<u>19,104</u>	<u>106</u>
<b>Total comprehensive income/(expense) for the financial period/year</b>	<b>44,048</b>	<b>(35,336)</b>	<b>(287,598)</b>	<b>13,673</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
- Owners of the Company	44,989	(32,630)	(276,187)	24,220
- Non-controlling interests	(941)	(2,706)	(11,411)	(10,547)
	<u>44,048</u>	<u>(35,336)</u>	<u>(287,598)</u>	<u>13,673</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 2019)

**Company name** : WAH SEONG CORPORATION BERHAD  
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**Quarter** : 4

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>As at 31 December 2020 Unaudited RM'000</b>	<b>As at 31 December 2019 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	423,825	672,852
Right-of-use assets	243,780	314,428
Investment properties	9,324	9,340
Goodwill and other intangible assets	142,336	144,014
Deferred tax assets	35,364	52,567
Investment in associates	231,133	207,827
Investment in joint ventures	81,083	111,627
Amounts owing by joint ventures	26,240	-
Finance lease receivables	-	5,474
Contract assets	74,242	88,738
Investment in equity instruments	5	6
	<u>1,267,332</u>	<u>1,606,873</u>
<b>Current Assets</b>		
Inventories	195,665	267,078
Contract assets	149,441	119,373
Trade and other receivables	359,553	439,848
Amounts owing by associates	17,480	20,386
Amounts owing by joint ventures	186	47,803
Finance lease receivables	5,397	12,352
Tax recoverable	4,879	3,071
Derivative financial assets	2,256	1,101
Time deposits	83,883	52,765
Cash and bank balances	155,647	94,700
	<u>974,387</u>	<u>1,058,477</u>
Assets classified as held for sale	<u>26,979</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><b>2,268,698</b></u>	<u><b>2,665,350</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves Attributable to Owners of the Company</b>		
Share capital	547,690	547,690
Treasury shares	(624)	(4,779)
Exchange translation reserves	14,296	(4,595)
Retained profits	142,363	441,630
<b>Equity attributable to owners of the Company</b>	<u>703,725</u>	<u>979,946</u>
Non-controlling interests	49,838	61,252
<b>TOTAL EQUITY</b>	<u><b>753,563</b></u>	<u><b>1,041,198</b></u>

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**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020**

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

	<b>As at 31 December 2020 Unaudited RM'000</b>	<b>As at 31 December 2019 Audited RM'000</b>
<b>LIABILITIES</b>		
<b>Non-Current and Deferred Liabilities</b>		
Deferred tax liabilities	9,746	11,915
Lease liabilities	198,495	220,717
Other payables and provisions	26,789	7,674
Loans and borrowings	103,106	217,959
	<u>338,136</u>	<u>458,265</u>
<b>Current Liabilities</b>		
Lease liabilities	12,766	14,047
Contract liabilities	70,645	62,916
Trade and other payables	246,245	291,746
Provision for warranties	9,844	9,061
Amounts owing to associates	1,560	33
Amounts owing to joint ventures	5,139	5,546
Loans and borrowings	774,950	730,136
Dividend payable	22,109	21,904
Current tax liabilities	33,642	28,638
Derivative financial liabilities	99	1,860
	<u>1,176,999</u>	<u>1,165,887</u>
<b>TOTAL LIABILITIES</b>	<u>1,515,135</u>	<u>1,624,152</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,268,698</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)

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**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 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			
<b>At 1 January 2020</b>	547,690	(4,779)	(4,595)	441,630	979,946	61,252	1,041,198
Net loss for the financial year	-	-	-	(295,149)	(295,149)	(11,553)	(306,702)
Other comprehensive income for the financial year	-	-	18,962	-	18,962	142	19,104
Total comprehensive income/(expense) for the financial year	-	-	18,962	(295,149)	(276,187)	(11,411)	(287,598)
Cash dividends paid to owners of the Company	-	-	-	(3,082)	(3,082)	-	(3,082)
Share dividends distributed to owners of the Company	-	4,155	-	(4,155)	-	-	-
Disposal of subsidiaries	-	-	(71)	3,119	3,048	(3)	3,045
Total contributions by and distribution to owners	-	4,155	(71)	(4,118)	(34)	(3)	(37)
<b>At 31 December 2020</b>	<b>547,690</b>	<b>(624)</b>	<b>14,296</b>	<b>142,363</b>	<b>703,725</b>	<b>49,838</b>	<b>753,563</b>

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**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

These figures have 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			
<b>At 1 January 2019</b>	547,690	(4,779)	(4,679)	417,494	955,726	81,118	1,036,844
Net profit/(loss) for the financial year	-	-	-	24,136	24,136	(10,569)	13,567
Other comprehensive income for the financial year	-	-	84	-	84	22	106
Total comprehensive income/(expense) for the financial year	-	-	84	24,136	24,220	(10,547)	13,673
Dividend paid/payable to non-controlling interests	-	-	-	-	-	(10,881)	(10,881)
Total contributions by and distribution to owners	-	-	-	-	-	(10,881)	(10,881)
Incorporation of a new subsidiary	-	-	-	-	-	247	247
Issuance of new shares to non-controlling interests of an existing subsidiary	-	-	-	-	-	1,690	1,690
Acquisition of shares in existing subsidiary from non-controlling interests	-	-	-	-	-	(1)	(1)
Liquidation of a subsidiary	-	-	-	-	-	(374)	(374)
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	1,562	1,562
<b>At 31 December 2019</b>	<b>547,690</b>	<b>(4,779)</b>	<b>(4,595)</b>	<b>441,630</b>	<b>979,946</b>	<b>61,252</b>	<b>1,041,198</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 2019)

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**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Financial Year Ended 31 December 2020 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2019 Audited RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(268,024)	5,562
Adjustments for non-operating items:		
Depreciation and amortisation	97,270	153,588
Other non-cash items	207,417	59,448
Interest expense	43,391	54,652
Interest income	(4,246)	(4,992)
Operating profit before changes in working capital	75,808	268,258
Changes in working capital:		
Net changes in current assets	101,436	33,940
Net changes in current liabilities	(17,243)	(35,356)
Cash generated from operations	160,001	266,842
Interest received	4,246	4,992
Interest paid	(43,391)	(54,652)
Tax paid	(15,120)	(10,178)
<b>Net cash generated from operating activities</b>	<b>105,736</b>	<b>207,004</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(52,829)	(62,282)
Purchase of investment properties	(117)	-
Investment in an associate	(6,656)	-
Proceeds from disposal of property, plant and equipment	75,051	32,116
Proceeds from disposal of investment properties	14,105	-
Transfer to deposits and short term investment	(712)	(5,816)
Dividends received from an associate	1,731	1,735
Dividends received from a joint venture	6,692	21
Net amount from associates	1,700	703
Net amount to joint ventures	(1,854)	(1,018)
Net cash inflow from disposal of subsidiaries	22,914	-
<b>Net cash generated from/(used in) investing activities</b>	<b>60,025</b>	<b>(34,541)</b>
<b>Cash flows from financing activities</b>		
Drawdown of other bank borrowings	485,603	1,252,488
Repayments of other bank borrowings	(497,629)	(1,210,265)
Drawdown of term loans	7,373	179,113
Repayment of term loans	(61,014)	(122,485)
Drawdown of fixed rate notes	-	19,583
Repayment of fixed rate notes	-	(9,027)
Utilisation of advances from customer	-	(357,464)
Principal elements of lease payments	(12,822)	(12,141)
Proceeds received from non-controlling interests on issuance of new shares by subsidiaries	-	1,690
Dividend paid to non-controlling interests	(3,082)	(2,980)
<b>Net cash used in financing activities</b>	<b>(81,571)</b>	<b>(261,488)</b>
<b>Net changes in cash and cash equivalents</b>	<b>84,190</b>	<b>(89,025)</b>
<b>Currency translation differences</b>	<b>7,164</b>	<b>(2,062)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>124,172</b>	<b>215,259</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>215,526</b>	<b>124,172</b>

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**Quarter** : **4**

**Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020**

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

	<b>Financial Year Ended 31 December 2020 Unaudited RM'000</b>	<b>Preceding Corresponding Period Financial Year Ended 31 December 2019 Audited RM'000</b>
<b>Cash and cash equivalents at the end of the financial year comprise of the following:</b>		
Time deposits	83,883	52,765
Cash and bank balances	155,647	94,700
Subtotal	<u>239,530</u>	<u>147,465</u>
Less:		
Short term investments	(642)	(623)
Time deposits with maturity more than 3 months	<u>(23,362)</u>	<u>(22,670)</u>
	<u>215,526</u>	<u>124,172</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)



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**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 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 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018–2020
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

#### Effective from financial year beginning on or after 1 January 2023

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

## 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 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 577,054 treasury shares as at 31 December 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/year ended 31 December 2020.

## 7. Dividends

During the financial year, the Directors declared a first interim dividend of 1.00 sen per share in respect of financial year ended 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.

The Directors did not declare any dividend in the current/corresponding prior financial periods/year.

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## 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>Others</u> RM'000	<u>Total</u> RM'000
<b>RESULTS</b>					
<u>Financial year ended 31 December 2020</u>					
Revenue	579,466	357,446	301,113	173,921	1,411,946
Less: Inter segment revenue	(2,436)	-	-	(403)	(2,839)
External revenue	<u>577,030</u>	<u>357,446</u>	<u>301,113</u>	<u>173,518</u>	<u>1,409,107</u>
Segment (losses)/profits	(272,664)	26,547	19,769	4,193	(222,155)
Share of results of associates	12,653	-	293	(4)	12,942
Share of results of joint ventures	(26,833)	1,110	-	(750)	(26,473)
	<u>(286,844)</u>	<u>27,657</u>	<u>20,062</u>	<u>3,439</u>	<u>(235,686)</u>
Unallocated expenses relating to financing activities					(16,988)
Unallocated corporate expenses					(15,350)
Loss before tax					<u>(268,024)</u>
<b>TOTAL ASSETS</b>					
<u>As at 31 December 2020</u>					
Segment assets	1,160,733	420,213	179,737	75,558	1,836,241
Investment in associates	216,108	-	15,025	-	231,133
Investment in joint ventures	64,338	6,406	-	10,339	81,083
Assets classified as held for sale	9,590	-	17,389	-	26,979
	<u>1,450,769</u>	<u>426,619</u>	<u>212,151</u>	<u>85,897</u>	<u>2,175,436</u>
Unallocated corporate assets					
- Deferred tax assets					35,364
- Tax recoverable					4,879
- Cash and cash equivalents					27,202
- Short term investment					642
- Others					25,175
Total assets					<u>2,268,698</u>

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**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>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2020</u>					
Depreciation of:					
- Property, plant and equipment	66,558	5,117	2,133	1,685	75,493
- Investment properties	-	-	3	100	103
- Right-of-use assets	18,780	-	1,604	1,290	21,674
Additions of:					
- Property, plant and equipment	30,393	18,103	2,778	1,555	52,829
Impairment loss/(reversal of impairment loss) on:					
- Property, plant and equipment	164,045	-	-	-	164,045
- Receivables	9,535	1,361	1,964	11,290	24,150
- Inventories	6,232	795	(26)	-	7,001
- Amount owing by joint ventures	23,314	-	-	-	23,314
- Amount owing by an associate	-	-	-	158	158
Interest income	(2,509)	(519)	(1,075)	(143)	(4,246)
Interest expense					
- Loans and borrowings	8,681	6,528	2,176	449	17,834
- Lease liabilities	9,911	-	165	131	10,207
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**8. Segment information (continued)**

	<u>Oil &amp; Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading &amp; Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2020</u>					
Revenue comprise of:					
- Revenue from contracts with customers	556,013	357,446	299,690	173,493	1,386,642
- Revenue from other sources	21,017	-	1,423	25	22,465
	<u>577,030</u>	<u>357,446</u>	<u>301,113</u>	<u>173,518</u>	<u>1,409,107</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	394,544	221,447	-	117,288	733,279
- At a point in time	161,469	135,999	299,690	56,205	653,363
	<u>556,013</u>	<u>357,446</u>	<u>299,690</u>	<u>173,493</u>	<u>1,386,642</u>

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**8. Segment information (continued)**

	<u>Oil &amp; Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading &amp; Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<b>RESULTS</b>					
<u>Financial year ended 31 December 2019</u>					
Revenue	1,489,366	399,550	426,123	203,364	2,518,403
Less: Inter segment revenue	(3,085)	-	-	(402)	(3,487)
External revenue	<u>1,486,281</u>	<u>399,550</u>	<u>426,123</u>	<u>202,962</u>	<u>2,514,916</u>
Segment profits	15,619	23,962	(2,133)	9,693	47,141
Share of results of associates	27,105	-	56	(5)	27,156
Share of results of joint ventures	(31,790)	1,565	-	(702)	(30,927)
	<u>10,934</u>	<u>25,527</u>	<u>(2,077)</u>	<u>8,986</u>	<u>43,370</u>
Unallocated expenses relating to financing activities					(19,880)
Unallocated corporate expenses					(17,928)
Profit before tax					<u><u>5,562</u></u>
<b>TOTAL ASSETS</b>					
<u>As at 31 December 2019</u>					
Segment assets	1,473,305	450,822	254,587	72,169	2,250,883
Investment in associates	207,607	-	220	-	207,827
Investment in joint ventures	88,723	5,296	-	17,608	111,627
	<u>1,769,635</u>	<u>456,118</u>	<u>254,807</u>	<u>89,777</u>	<u>2,570,337</u>
Unallocated corporate assets					52,567
- Deferred tax assets					3,071
- Tax recoverable					7,986
- Cash and cash equivalents					623
- Short term investment					30,766
- Others					52,567
Total assets					<u><u>2,665,350</u></u>

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**8. Segment information (continued)**

	<u>Oil &amp; Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading &amp; Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2019</u>					
Depreciation of:					
- Property, plant and equipment	123,457	4,724	2,120	1,333	131,634
- Investment properties	-	-	3	134	137
- Right-of-use assets	19,508	-	1,736	573	21,817
Additions of:					
- Property, plant and equipment	36,723	18,527	5,556	1,476	62,282
Impairment loss/(reversal of impairment loss) on:					
- Property, plant and equipment	34,684	-	-	-	34,684
- Receivables	(16)	(10)	4,923	13,505	18,402
- Inventories	(164)	(3,184)	(131)	-	(3,479)
- Amount owing by a joint venture	2,200	-	-	-	2,200
Interest income	(2,657)	(870)	(1,320)	(145)	(4,992)
Interest expense					
- Loans and borrowings	11,060	8,088	3,437	435	23,020
- Lease liabilities	11,474	-	192	86	11,752
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**8. Segment information (continued)**

	<u>Oil &amp; Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading &amp; Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2019</u>					
Revenue comprise of:					
- Revenue from contracts with customers	1,466,752	399,550	425,216	202,649	2,494,167
- Revenue from other sources	19,529	-	907	313	20,749
	<u>1,486,281</u>	<u>399,550</u>	<u>426,123</u>	<u>202,962</u>	<u>2,514,916</u>
Revenue from contracts with customers is represented by:					
Timing of revenue recognition					
- Over time	1,183,630	223,847	-	165,637	1,573,114
- At a point in time	283,122	175,703	425,216	37,012	921,053
	<u>1,466,752</u>	<u>399,550</u>	<u>425,216</u>	<u>202,649</u>	<u>2,494,167</u>



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**9. Events after the reporting period**

There were no material events subsequent to the financial year ended 31 December 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 financial year ended 31 December 2020, except for the following:

**a) MEMBERS' VOLUNTARY WINDING UP OF SYN TAI HUNG CORPORATION SDN BHD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

Further to the announcement made on 18 November 2015, the Company had on 6 November 2020 announced that Syn Tai Hung Corporation Sdn Bhd ("**STHC**"), an indirect wholly-owned subsidiary of WSC had held its final meeting for the Members' Voluntary Winding Up and was fully dissolved.

**b) MEMBERS' VOLUNTARY LIQUIDATION OF PT. MPE DEEPWATER, A DORMANT INDIRECT SUBSIDIARY OF THE COMPANY**

Further to the announcement made on 3 April 2012, the Company had on 29 January 2021 announced that PT. MPE Deepwater ("**PT.MD**"), a dormant indirect subsidiary of the Company had completed the voluntary liquidation on 7 December 2020. The Notice of Completion of Liquidation in accordance with the rules and regulations of the Republic of Indonesia dated 7 December 2020 issued by the Ministry of Justice and Human Rights of Republic of Indonesia was received on 29 January 2021.

**11. Significant events during the reporting period**

There were no significant events during the current quarter and financial year ended 31 December 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:

Approved and contracted for

**As at  
31 December  
2020  
RM'000**

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

#### 14. Review of performance of operating segments for the current quarter and financial year ended 31 December 2020

##### Oil & Gas Segment

The Oil & Gas Segment's external revenue for the fourth quarter and the financial year ended 31 December 2020 were RM160.8 million and RM577.0 million respectively, compared with RM168.7 million and RM1.5 billion in the corresponding periods in 2019. The segment registered a profit before tax of RM12.2 million and a loss before tax of RM286.8 million respectively, compared with loss before tax of RM57.7 million and profit before tax of RM10.9 million in the corresponding periods in 2019.

The reduction in revenue in the current year was due to completion of the Nord Stream 2 project in the previous year as well as lack of new projects resulting from deferment of Capital Expenditure by Oil and Gas companies due to the on-going pandemic in the world. This lack of projects and one-off adjustments disclosed in the previous quarter directly impacted the results of the segment for the current year. However, in the current quarter, in line with the recovery taking place in the market, the segment delivered a profit before taxation of RM12.2 million.

##### Renewable Energy Segment

The Renewable Energy Segment's external revenue for the fourth quarter and financial year ended 31 December 2020 were RM98.7 million and RM357.4 million respectively, compared with RM112.6 million and RM399.6 million in the corresponding periods in 2019. In the same period, profit before tax were RM9.5 million and RM27.7 million, compared with profit before tax of RM4.8 million and RM25.5 million in the corresponding periods in 2019.

Investment activities in the palm oil sector slowed down during the pandemic and resulted in lower external revenue in current quarter and financial year. However, the process equipment fabrication businesses performed better with higher revenue, and activities in the current quarter and financial year.

Profit before tax for the current quarter and financial year ended 31 December 2020 was higher compared with last year's corresponding quarter and financial year, due mainly to higher contribution from the process equipment fabrication business and lower losses in the boiler business.

##### Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the fourth quarter and financial year ended 31 December 2020 were RM88.3 million and RM301.1 million respectively, compared with RM99.2 million and RM426.1 million in the corresponding periods in 2019. In the same period, the segment recorded a profit before tax of RM21.7 million and RM20.1 million, compared with a loss before tax of RM4.3 million and RM2.1 million in the corresponding periods in 2019.

Slowdown in the construction industry had resulted in lower external revenue in the current quarter and financial year ended 31 December 2020.

The segment's high profit before tax for the current quarter and financial year ended 31 December 2020 was due mainly to gain on disposal of a subsidiary during the period and overall operating costs rationalisation.

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**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 RM41.2 million in the current quarter, compared with a loss before taxation of RM235.4 million in the previous quarter. The improvement in the current quarter is due to improving operational conditions in the market and recognition of RM19 million on disposal of investments.

**16. Prospects**

The Group's current order book of RM1.2 billion comprises RM870.2 million in the Oil & Gas segment, RM251.8 million in the Renewable Energy segment and RM28.8 million in the Industrial Trading & Services segment.

The Group is experiencing increasing bidding/tendering activities in the market and some of these are expected to be awarded in the financial year 2021. The Group is confident that it will secure some of these jobs which will have a positive impact on the Group in the financial year 2021 and beyond.

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**17. Profit/(Loss) before tax**

	<b>Current Quarter Ended 31 December 2020 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 31 December 2019 RM'000</b>	<b>Financial Year Ended 31 December 2020 RM'000</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2019 RM'000</b>
Profit/(Loss) before tax is stated after charging/(crediting) the following items:				
Interest income	(1,044)	(1,002)	(4,246)	(4,992)
Depreciation and amortisation	15,638	30,464	97,270	153,588
Impairment loss and write-off/(reversal) of receivables - net	(956)	21,682	24,150	18,402
Impairment loss and write-off/(reversal) of inventories - net	86	(377)	7,001	(3,479)
Impairment loss/ (reversal) of property, plant and equipment	(1,115)	34,037	164,045	34,684
Impairment loss/ (reversal) of amount owing by joint ventures	(402)	2,200	23,314	2,200
Impairment loss on amount owing by an associate	158	-	158	-
Net foreign exchange loss/(gain)	4,035	2,696	(1,424)	2,240
Gain on disposal of property, plant and equipment	(178)	(954)	(7,298)	(973)
Gain on disposal of investment property	-	(6,961)	-	(6,961)
Gain on disposal of a subsidiary	(19,203)	-	(19,203)	-

Save as disclosed above and in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Group.

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## 18. Taxation

Taxation comprises the following:

	<b>Current Quarter Ended 31 December 2020 RM'000</b>	<b>Financial Year Ended 31 December 2020 RM'000</b>
Tax expense		
- Malaysian tax	674	13,029
- Foreign tax	6,814	25,649
	<u>7,488</u>	<u>38,678</u>

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

	<b>Current Quarter Ended 31 December 2020 RM'000</b>	<b>Financial Year Ended 31 December 2020 RM'000</b>
Profit/(Loss) before tax	<u>41,160</u>	<u>(268,024)</u>
Tax expense at the statutory tax rate – 24%	9,878	(64,326)
Other tax adjustments	(2,720)	102,042
Overprovision in prior financial year	330	962
	<u>(2,390)</u>	<u>103,004</u>
Taxation	<u>7,488</u>	<u>38,678</u>

## 19. Profit forecast

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

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## 20. Group's borrowings and debt securities

	<b>As at 31 December 2020 RM'000</b>
<b><u>Unsecured</u></b>	
<b>Short term borrowings</b>	
Revolving credits	500,644
Term loans	136,184
Trade financing	119,068
Fixed rate notes	19,054
	<hr/> 774,950
<b>Long term borrowings</b>	
Term loans	103,106
<b>Total borrowings</b>	<hr/> <hr/> 878,056

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

United States Dollar	600,624
Ringgit Malaysia	219,583
Australian Dollar	26,723
Euro Dollar	24,376
Singapore Dollar	5,746
British Pound	586
Canadian Dollar	418
	<hr/> 878,056

## 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 2020 are as follows:

	<b>Current Quarter Ended 31 December 2020 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 31 December 2019 RM'000</b>	<b>Financial Year Ended 31 December 2020 RM'000</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2019 RM'000</b>
Balance as at				
- 1 January	-	-	(753)	152
- 1 October	(382)	216	-	
Fair value gain/(loss) recognised in:				
- profit or loss	2,606	(965)	2,958	(896)
Effect of changes in exchange rate	(62)	(4)	(43)	(9)
Balance as at 31 December	<hr/> 2,162	<hr/> (753)	<hr/> 2,162	<hr/> (753)

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

	As at 31 December 2020 RM'000	As at 31 December 2019 RM'000
Represented by:		
Investment in equity instruments carried at fair value	5	6
Derivative financial assets	2,256	1,101
Derivative financial liabilities	(99)	(1,860)
	2,162	(753)

### 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 2020</u>				
<u>Financial assets</u>				
Investment in equity instruments	5	-	-	5
Derivative financial assets	-	2,256	-	2,256
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(99)	-	(99)

### 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.

## 22. Material litigation

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

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### 23. Earnings per share (EPS)

#### Basic and diluted earnings per share

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

	<b>Current Quarter Ended 31 December 2020</b>	<b>Preceding Year Corresponding Quarter Ended 31 December 2019</b>	<b>Financial Year Ended 31 December 2020</b>	<b>Preceding Corresponding Financial Year Ended 31 December 2019</b>
Net profit/(loss) attributable to the owners of the Company (RM'000)	34,739	(30,593)	(295,149)	24,136
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	774,311	770,461	773,280	770,461
Basic/diluted earnings per share (sen)	4.49	(3.97)	(38.17)	3.13

### 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 23 February 2021.