Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 MARCH 2010
Quarter : 1

Quarterly Report on Consolidated Results for the First Quarter ended 31 March 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2010 Unaudited	Preceding Year Corresponding Quarter Ended 31 March 2009 Unaudited and not restated (N1)	Current Period To-date Ended 31 March 2010 Unaudited	Preceding Corresponding Period To-date Ended 31 March 2009 Unaudited and not restated (N1)
Particulars	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Gross revenue	409,621	436,621	409,621	436,621
Cost of sales	(317,748)	(342,688)	(317,748)	(342,688)
Gross profit	**91,873**	**93,933**	**91,873**	**93,933**
Other operating income	6,027	13,476	6,027	13,476
Selling and distribution expenses	(13,337)	(9,043)	(13,337)	(9,043)
Administration and general expenses	(38,260)	(32,614)	(38,260)	(32,614)
Other gain – net	64	-	64	-
Finance cost	(6,635)	(11,404)	(6,635)	(11,404)
Share of results of associates and jointly controlled entities	(1,256)	678	(1,256)	678
Profit before tax	**38,476**	**55,026**	**38,476**	**55,026**
Tax expense	(8,319)	(6,389)	(8,319)	(6,389)
Net profit for the period	**30,157**	**48,637**	**30,157**	**48,637**
Profit attributable to:				
- Equity holders of the Company	17,024	25,724	17,024	25,724
- Minority Interest	13,133	22,913	13,133	22,913
	30,157	**48,637**	**30,157**	**48,637**
Earnings per share				
- Basic earnings per share (sen)	2.25	3.40	2.25	3.40
- Diluted earnings per share (sen)	2.25	3.40	2.25	3.40
Net profit for the period	**30,157**	**48,637**	**30,157**	**48,637**
Other comprehensive (losses)/income, net of tax:				
Financial assets, Available For Sale ("AFS")				
– Fair value losses	(8)	-	(8)	-
Cash flow hedge, net of tax				
– Fair value gain	293	-	293	-
– Tax charge on fair value gain	(50)	-	(50)	
– Reclassification	(26)	-	(26)	-
Foreign currency translation differences for foreign operations	(3,704)	16,743	(3,704)	16,743
	(3,495)	16,743	(3,495)	16,743
Total comprehensive income, net of tax	**26,662**	**65,380**	**26,662**	**65,380**
Total comprehensive income attributable to:				
- Equity holders of the Company	14,881	41,890	14,881	41,890
- Minority Interest	11,781	23,490	11,781	23,490
	26,662	**65,380**	**26,662**	**65,380**

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 MARCH 2010
Quarter : 1
Quarterly Report on Consolidated Results for the First Quarter ended 31 March 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

	As at End of Current Quarter Ended 31 March 2010 Unaudited	As at End of Preceding Financial Year Ended 31 December 2009 Audited and not restated (N1)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	590,939	612,036
Prepaid lease payments	80,026	80,847
Investment properties	2,414	2,823
Investment in associates	20,930	22,403
Investment in jointly controlled entities	37,156	36,366
Other investments	-	1,096
Available-for-sale financial assets	1,150	-
Derivative financial asset	129	-
Goodwill	122,062	126,284
Intangible assets	3,855	4,187
Deferred tax assets	7,744	7,458
	866,405	893,500
Current Assets		
Inventories	282,722	290,414
Amounts due from customers on contracts	84,727	160,164
Trade and other receivables	412,881	356,508
Amount owing by associates	3,667	3,606
Amount owing by jointly controlled entities	9,621	6,183
Tax recoverable	23,802	24,466
Time deposits	193,765	249,497
Cash and bank balances	271,487	222,397
	1,282,672	1,313,235
TOTAL ASSETS	2,149,077	2,206,735
EQUITY AND LIABILITIES		
Capital and Reserves Attributable to Equity Holders of the Company		
Share capital	354,619	343,370
Equity component of ICULS	15,078	-
Share premium	166,818	169,068
Warrants reserve	25,786	25,786
Exchange translation reserves	(6,692)	(4,340)
Capital reserves	85	85
Treasury shares	(12,550)	(11,624)
Hedging reserve	(1,170)	-
AFS reserve	54	-
Retained profits	346,282	363,271
Equity attributable to equity holders of the Company	888,310	885,616
Minority interests	164,533	148,956
Total equity	1,052,843	1,034,572

(The Condensed Consolidated Statement of Financial Positions should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 MARCH 2010
Quarter : 1
Quarterly Report on Consolidated Results for the First Quarter ended 31 March 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (continued)

	As at End of Current Quarter Ended 31 March 2010 Unaudited	As at End of Preceding Financial Year Ended 31 December 2009 Audited and not restated (N1)
	RM'000	RM'000
Non-Current and Deferred Liabilities		
Derivative financial liability	1,341	-
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	11,182	35,259
Hire purchase liabilities	64	53
Term loans	400,223	435,873
Deferred tax liabilities	24,638	26,405
Other liabilities	2,800	2,740
	440,248	500,330
Current Liabilities		
Amounts due to customers on contracts	33,404	36,014
Amount owing to an associated company	15	-
Trade and other payables	279,822	310,781
Provision for warranties	21,579	22,585
Hire purchase liabilities	49	56
Term loans	153,819	187,203
Bank borrowings	109,939	92,997
Dividend payable	36,982	3,419
Current tax liabilities	20,377	18,778
	655,986	671,833
Total Liabilities	1,096,234	1,172,163
TOTAL EQUITY AND LIABILITIES	2,149,077	2,206,735

(The Condensed Consolidated Statement of Financial Positions should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 MARCH 2010
Quarter : 1
Quarterly Report on Consolidated Results for the First Quarter ended 31 March 2010

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Period To-date Ended 31 March 2010 Unaudited	Preceding Corresponding Period To-date Ended 31 March 2009 Unaudited and not restated (N1)
	RM'000	RM'000
Cash Flow From Operating Activities		
Profit before taxation	38,476	55,026
Adjustments for:-		
Non cash items	13,826	12,877
Non-operating items	4,465	10,949
Operating Profit Before Working Capital Changes	56,767	78,852
Net changes in current assets	24,066	1,744
Net changes in current liabilities	(29,120)	12,807
Cash generated from operations	51,713	93,403
Interest received	2,171	455
Interest paid	(6,635)	(11,404)
Taxation paid (net)	(8,109)	(11,467)
Net Cash Generated from Operating Activities	39,140	70,987
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(3,706)	(42,624)
Proceeds from disposal of property, plant and equipment and investment properties	1	454
Payment for subscription of interest in a jointly controlled entity	(2,801)	-
Dividend received from an associated company	151	-
Restricted cash	(1,295)	-
Advances to associated companies/ jointly controlled entities	-	(3,348)
Net Cash Used in Investing Activities	(7,650)	(45,518)
Cash Flow From Financing Activities		
Purchase of treasury shares	(926)	(173)
Net (repayment of)/proceeds from borrowings	(30,380)	11,182
Proceeds from issue of shares to minority shareholders of subsidiaries	-	2,687
Dividends paid to minority shareholders of subsidiaries	(948)	(342)
Net Cash (Used in)/Generated from Financing Activities	(32,254)	13,354
Net Movement in Cash and Cash Equivalents	(764)	38,823
Currency Translation Differences	(7,173)	5,395
Cash and Cash Equivalents at the Beginning of Period	471,894	186,665
Cash and Cash Equivalents at the End of Period	463,957	230,883
Cash and Cash Equivalents at the end of the financial periods comprise of the following:		
Cash and bank balances	271,487	163,983
Time deposits	193,765	67,067
Bank overdrafts	-	(167)
Less: restricted cash	(1,295)	-
	463,957	230,883

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 MARCH 2010
Quarter : 1
Quarterly Report on Consolidated Results for the First Quarter ended 31 March 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
These figures have not been audited

	Attributable to equity holders of the Company											
	Share capital RM'000	**Share premium RM'000**	**Warrants reserve RM'000**	**Exchange translation reserves RM'000**	**Capital reserves RM'000**	**Treasury shares RM'000**	**Hedging reserve RM'000**	**Available For Sale reserve RM'000**	**Retained profits RM'000**	**Total RM'000**	**Minority Interests RM'000**	**Total Equity RM'000**
Balance as at 1 January 2009	328,500	172,042	25,786	(1,710)	85	(10,138)	-	-	276,601	791,166	162,588	953,754
Total comprehensive income for the period	-	-	-	16,166	-	-	-	-	25,724	41,890	23,490	65,380
Transactions with owners in their capacity as owners:												
Shares buy back (including transaction costs)	-	-	-	-	-	(173)	-	-	-	(173)	-	(173)
Issuance of shares:-												
- conversion of ICULS	7,500	-	-	-	-	-	-	-	-	7,500	-	7,500
- bonus shares arising from conversion of ICULS	1,875	(1,875)	-	-	-	-	-	-	-	-	-	-
Acquisition of shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	2,687	2,687
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(341)	(341)
Balance as at 31 March 2009	337,875	170,167	25,786	14,456	85	(10,311)	-	-	302,325	840,383	188,424	1,028,807

(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 2009)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 MARCH 2010
Quarter : 1
Quarterly Report on Consolidated Results for the First Quarter ended 31 March 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
These figures have not been audited

	---------- Attributable to equity holders of the Company ----------												
	Share capital RM'000	**Equity component of ICULS RM'000**	**Share premium RM'000**	**Warrants reserve RM'000**	**Exchange translation reserves RM'000**	**Capital reserves RM'000**	**Treasury shares RM'000**	**Hedging reserve RM'000**	**Available For Sale reserve RM'000**	**Retained profits RM'000**	**Total RM'000**	**Minority Interests RM'000**	**Total Equity RM'000**
Balance as at 1 January 2010, as previously stated	343,370	-	169,068	25,786	(4,340)	85	(11,624)	-	-	363,271	885,616	148,956	1,034,572
- effect of amendments to FRS 132 (Note 1(i)(c))	-	20,245	-	-	-	-	-	-	-	-	20,245	-	20,245
- effect of adopting FRS 139 (Note 1(i)(d))	-	-	-	-	-	-	-	(1,387)	62	(450)	(1,775)	-	(1,775)
As 1 January 2010, as restated	343,370	20,245	169,068	25,786	(4,340)	85	(11,624)	(1,387)	62	362,821	904,086	148,956	1,053,042
Total comprehensive income for the period	-	-	-	-	(2,352)	-	-	217	(8)	17,024	14,881	11,781	26,662
Transactions with owners in their capacity as owners:													
Share buy back (including transaction costs)	-	-	-	-	-	-	(926)	-	-	-	(926)	-	(926)
Issuance of shares:													
- conversion of ICULS	8,999	(5,167)	-	-	-	-	-	-	-	-	3,832	-	3,832
- bonus shares arising from conversion of ICULS	2,250	-	(2,250)	-	-	-	-	-	-	-	-	-	-
Issue of shares to minority interest	-	-	-	-	-	-	-	-	-	-	-	4,744	4,744
Dividends paid to equity holders of Company	-	-	-	-	-	-	-	-	-	(33,563)	(33,563)	-	(33,563)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(948)	(948)
Balance as at 31 March 2010	354,619	15,078	166,818	25,786	(6,692)	85	(12,550)	(1,170)	54	346,282	888,310	164,533	1,052,843

(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 2009)

These figures have not been audited.

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 FRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Securities Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009. 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 2009.

(i) Changes in Accounting Policies

The accounting policies used in the preparation of the interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the financial year ended 31 December 2009 save for the adoption of all the new/revised/improvements to Financial Reporting Standards ("FRSs") and interpretations to existing standards issued by MASB that are relevant to its operations and effective for financial periods beginning on or after 1 July 2009 and 1 January 2010 as follows:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of financial statements
FRS 123	Borrowing Costs
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 110	Events After the Balance Sheet Date
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate
Amendment to FRS 128	Investments in Associates
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

Other than the effect of the application of FRS 8, FRS 101 (revised), Amendments to FRS 132, FRS 139 and FRS 7 described below, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

1. Basis of preparation (continued)

(i) Changes in Accounting Policies (continued)

(a) FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. Comparative information has been re-presented so that it is in conformity with the revised standard. This standard does not have any impact on the financial position and result of the Group. Segment information is disclosed in Note 8. Comparatives have been restated.

(b) FRS 101 (revised): Presentation of financial statements

The revision to FRS 101 prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning of the comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The adoption of the revised FRS 101 has resulted in the Group presenting both the income statement and statement of comprehensive income as a single performance statement. Comparative information has been re-presented so that it is in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

(c) Amendments to FRS 132: Financial Instruments: Presentation

The amendments to FRS 132 require entity that has availed itself of the transitional provision in FRS 132_{2004} Financial Instruments: Disclosures and Presentation not to apply the component part classification for compound financial instruments issued before 1 January 2003 to classify the compound financial instrument into its liability and equity elements when the entity first applies FRS 139 Financial Instruments: Recognition and Measurement. In accordance with the transitional provision, the change in accounting policy has been made prospectively as at 1 January 2010. The financial impact to the Group arising from this change is as follows:

Condensed consolidated statement of financial positions	At 1 January 2010, as previously stated (RM'000)	Effect of change in accounting policy (RM'000)	At 1 January 2010, as restated (RM'000)
ICULS	35,259	(20,245)	15,014
Equity component of ICULS	-	20,245	20,245

(d) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirement for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

1. Basis of preparation (continued)

(i) Changes in Accounting Policies (continued)

(d) FRS 139: Financial Instruments: Recognition and Measurement (continued)

Financial assets

Financial assets are classified as loans and receivables, AFS financial assets, financial assets at fair value through profit or loss or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include loans and receivables, cash and bank balances, time deposits, AFS financial assets and derivative financial assets.

Financial liabilities

Financial liabilities are classified as loans and borrowings, financial liabilities at fair value through profit or loss, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities include payables which are carried at amortised cost.

(I) Loans and receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequently stated at cost less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method ("EIR"). Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

(II) AFS financial assets

Prior to 1 January 2010, AFS financial assets such as investments were accounted for at cost less impairment. Under FRS 139, AFS financial assets are measured initially at fair value plus transaction costs and subsequently carried at fair value except for investment in equity instruments categorised under available for sale investment that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost. Changes in the fair values together with the related currency translation differences of available-for-sale financial assets are recognised as other comprehensive income in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement or determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from AFS reserve.

(III) Financial assets and liabilities at fair value through profit or loss

Fair value through profit or loss financial assets and liabilities comprises derivatives (except for derivative that is a designated and effective hedging instrument). Prior to 1 January 2010, derivatives are off balance sheet items and gains or losses were recognised in the financial statements on settlement date. Under FRS 139, financial assets and liabilities at fair value through profit or loss are measured initially and subsequently at fair value. Changes in fair values including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

1. Basis of preparation (continued)

(i) Changes in Accounting Policies (continued)

(d) FRS 139: Financial Instruments: Recognition and Measurement (continued)

(IV) Loans and borrowings

Under FRS 139, loans and borrowings are initially recognised at fair value plus directly attributable transaction costs. Loans and other borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Prior to 1 January 2010, loans and borrowings were subsequently measured at amortised cost using the straight line method.

(V) Payables

Prior to 1 January 2010, payables are measured initially and subsequently at cost. Under FRS 139, payables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method.

Hedging

The Group designates certain derivative as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge). The Group has entered into an interest rate swap that is a cash flow hedge for the Group's exposure to interest rate risk on a borrowing entered by a subsidiary. The interest rate swap contract entitles the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

Prior to 1 January 2010, derivatives are not recognised on the financial statement. Under FRS 139, the fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in the hedging reserve and transferred to the income statement when the interest expenses on the borrowings is recognised in income statement. The fair value change on the ineffective portion of interest rate swaps is recognised immediately in income statement. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as current asset or liability if the remaining expected life of the hedged item is less than 12 months.

1. Basis of preparation (continued)

(i) Changes in Accounting Policies (continued)

(d) FRS 139: Financial Instruments: Recognition and Measurement (continued)

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the consolidated statement of financial positions and consolidated statement of changes in equity as at 1 January 2010. Impact to the Consolidated statement of changes in equity presented as at 1 January 2010 are as follows:

Consolidated statement of changes in equity	Available for sale reserve	Retained profits	Hedging reserve
At 1 January 2010, as previously stated	-	363,271	-
Effect of adopting FRS 139:			
- Fair valuation of equity securities classified as available-for-sale	62	-	-
- Recognition of derivatives previously not recognised, net of tax	-	(424)	-
- Recognition of cashflow hedge previously not recognised, net of tax	-	(26)	(1,387)
At 1 January 2010, as restated	62	362,821	(1,387)

(e) FRS 7: Financial Instruments: Disclosures

FRS 7 requires enhance disclosures about fair value measurement and liquidity risk in the full year financial statements. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. It has no effect on reported profit and equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures has been made in these interim financial statements.

(ii) Comparative figures

FRS 101: Presentation of financial statements (revised)

Arising from the adoption of FRS101 (revised), income statements for the period ended 31 March 2009 has been re-presented as statement of comprehensive income. All owner-changes in equity that were presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity.

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 significantly affected by seasonal or cyclical factors.

4. Unusual items

There were no material items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence save for the effects arising from the adoption of Amendments to FRS 132 and FRS 139 as disclosed in Note 1.

5. Changes in estimates

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

6. Debt and equity securities

	Current Quarter Ended 31 March 2010 No. of Shares	**Current Period To-date 31 March 2010 No. of Shares**
Issuance of ordinary shares:		
Conversion of ICULS	18,000,000	18,000,000
Bonus shares arising from conversion of ICULS	4,500,000	4,500,000
	22,500,000	22,500,000

During the first quarter of 2010, a total of 390,000 (year to-date: 390,000) ordinary shares of RM0.50 each were bought back and retained as treasury shares. As at 31 March 2010, the number of shares bought back and held as treasury shares, total 5,898,000 shares and none of them were sold or cancelled during the financial period to-date.

On 13 April 2010, a total of 5,857,451 treasury shares were distributed as special share dividend to the shareholders on the basis of one (1) treasury share for every one hundred and twenty (120) existing Wah Seong Corporation Berhad (“WSC”) ordinary shares of RM0.50 each held at the entitlement date on 25 March 2010.

Subsequent to the share dividend distribution on 13 April 2010, the number of treasury shares was reduced to 40,549 WSC ordinary shares of RM0.50 each.

Apart from the above, there were no other issuance and repayment of debt and equity securities, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial period to-date.

7. Dividends

Dividend Paid	**Current Quarter Ended 31 March 2010**	**Preceding Corresponding Period Ended 31 March 2009**
Second interim dividend comprising:-		
Date paid	13 April 2010	28 April 2009
Cash dividend per share	(a) 3.0 sen Malaysian tax exempt; and	(i) 1.5 sen less 25% income tax; and (ii) 1.5 sen Malaysian tax exempt
Share dividend per share	(b) special share dividend (tax-exempt) (refer to Note 6 above)	Nil

8. Segment information

	Revenue Period Ended 31 March		Profit/(loss) before taxation Period Ended 31 March	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Pipe Coating Division	99,252	94,549	25,276	21,938
Pipe Manufacturing Division	125,460	93,410	12,383	14,729
Engineering Division	51,792	86,645	(383)	8,973
Renewable Energy Division	33,909	48,790	3,451	7,360
Trading Division	122,603	84,853	3,669	1,533
E&P Services Division	24,559	49,783	1,520	4,023
Others	252	5,949	(7,440)	(3,530)
	457,827	463,979	38,476	55,026
Inter-segment elimination	(48,206)	(27,358)	-	-
	409,621	436,621	38,476	55,026

9. Valuation of property, plant and equipment

There were no changes to the valuation of property, plant and equipment during the current quarter and financial period to-date.

10. Event 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.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

12. Capital commitment

Capital commitments not provided for in the interim report:-

	Current Period To-date 31 March 2010 RM'000
Approved and contracted for	4,011
Approved but not contracted for	76,239

13. Operating Lease Commitments

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

	Current Period To-date 31 March 2010 RM'000
Payable not later than one year	3,011
Payable later than one year and not later than five years	2,745

The above is inclusive of a piece of land held under Lot H.S.(D) 3831, P.T. 1627 in the Mukim of Kuantan, Pahang with Lembaga Pelabuhan Kuantan. The lease of land expires on 28 February 2011.

Other information required by Bursa Securities Main Market Listing Requirements

14. Review of performance of the Company and its principal subsidiary companies for the current quarter and financial period ended 31 March 2010

The Group's revenue and profit before taxation for the current quarter were RM409.6 million and RM38.5 million respectively, compared with RM436.6 million and RM55.0 million in the corresponding quarter in 2009, representing a decrease of 6.2% and 30.0% respectively. This was mainly the result of lower revenue generated in the Engineering, Renewable Energy and E&P Services divisions which were offset by increases in the Pipe Coating, Pipe Manufacturing and Trading divisions. The lower revenue had a direct impact on the profit before taxation for the current period.

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

The profit before taxation in the first quarter was RM38.5 million compared with RM70.1 million in the immediate preceding quarter due to lower revenue.

16. Current period prospects

Despite continuing uncertainty in the global market, the Group has not yet seen any reduction in bidding activities, and projects already awarded are proceeding on schedule. Projects evaluation and award appear to be continuing in the market. The Group expects to benefit from these activities and the impact of this may only crystalise in the second half of the financial year ending 31 December 2010 as highlighted in the preceding quarter. However, barring unforeseen circumstances, the Group still expects its overall performance to be positive for the financial year ending 31 December 2010.

17. Taxation

Taxation comprises the following:

	Current Quarter Ended 31 March 2010 RM'000	Current Period To-date 31 March 2010 RM'000
Tax		
- Malaysia Tax Expense	8,035	8,035
- Foreign Tax Expense	284	284
	8,319	8,319

The effective tax rate of the Group was lower than the statutory tax rate mainly due to the following:

	Current Quarter Ended 31 March 2010 RM'000	Current Period To-date 31 March 2010 RM'000
Profit before taxation	38,476	38,476
Tax at the average applicable tax rate – 25%	9,619	9,619
Profit from certain subsidiaries which are not subjected to tax or enjoy tax exemptions/ incentives	(6,265)	(6,265)
Other expenses/ income – net (not taxable)/ non allowable	4,965	4,965
	(1,300)	(1,300)
Tax expense	8,319	8,319

18. Sale of unquoted investment and properties

There was no material disposal of unquoted investment and / or properties by the Group during the current quarter and financial period to-date. Unquoted investment had been reclassified from other investments to Available-for-sale financial assets in the Consolidated Statement of Financial Positions upon the adoption of FRS 139 on 1 January 2010.

19. Purchase or disposal of quoted securities

(a) There were no purchase or sale of quoted securities in the current quarter and financial period to-date.

(b) Investment in quoted securities as at 31 March 2010 (which had been reclassified from other investments to Available-for-sale financial assets in the Consolidated Statement of Financial Positions upon the adoption of FRS 139 on 1 January 2010) is as follows:

	RM'000
At cost	984
Fair value adjustment	
- Adjusted opening balance	62
- Current quarter	(8)
Provision for impairment in value	
- Balance brought forward	(938)
- Current quarter	-
At carrying value	100
At current market value	100

20. Profit forecast

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

21. Status of corporate proposals

There was no corporate proposal announced but not completed at the date of this quarterly report.

22. Group borrowings and debt securities

	Secured RM'000	**Unsecured RM'000**	**Total RM'000**
Short term borrowings			
Bank overdraft	7,615	-	7,615
Bankers' acceptance	-	80,771	80,771
Revolving credit	20,553	1,000	21,553
Term loans	72,237	81,582	153,819
Hire purchase creditors	49	-	49
Sub-total	100,454	163,353	263,807
Long term borrowings			
Term loans	2,560	397,663	400,223
Hire purchase creditors	64	-	64
Sub-total	2,624	397,663	400,287
Total Group Borrowings	103,078	561,016	664,094

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	224,134
US Dollar	439,960
	664,094

23. Off balance sheet financial instruments

Save as disclosed below, the Group does not have any other financial instruments with off balance sheet risk as at 24 May 2010.

The foreign currency exchange amount to be settled and average contractual exchange rate of the Group's outstanding forward contracts are as follows:-

	Foreign currency	Amount to be settled '000	Average contractual rate	RM'000 equivalent
Trade receivables	USD	5,000	3.2755	16,378

24. Financial instruments

a) Derivatives

Derivatives outstanding as at 31 March 2010 consist of interest rate cap and interest rate swap as below :

(i) Interest rate cap

The Group has entered into interest rate cap in FY2009 to limit the Group's exposure from adverse fluctuations in interest rates of underlying debt instrument of a subsidiary of the Group. The Group will receive interest at the end of each contractual period if the 3 months USD London Interbank Offered Rate exceeds the agreed strike rate of 2.35% per annum. The contract will mature on 31 October 2012 and the floating interest rate will be repriced quarterly.

The detail of the interest rate cap is as follows:

	Contract/ Notional amount	Effective period	Fair value asset
1 year to 3 years	USD20,170,000	29 January 2010 to 31 October 2012	RM128,540

This derivative had been recorded on the Consolidated Statement of Financial Position for this reporting period in compliance with FRS 139.

Credit risk

There is minimal credit risk as the interest rate cap was entered into with a reputable bank.

Cash requirements

The Group has no further cash flow exposure on this financial instrument.

24. Financial instruments (continued)

a) Derivatives (continued)

(ii) Interest rate swap

The Group has entered into an interest rate swap that is designated as a cash flow hedge for the Group's exposure to a floating quarterly interest payments on a bank loan of a subsidiary amounting to USD13,400,000. The contract entitles the Group to receive a floating rate equal to the 3 months USD Singapore Interbank Offered Rate per annum and obliges the Group to pay a fixed interest rate of 3.85% per annum on the notional amount. The contract will mature on 29 July 2011. The floating rate bank loan and interest rate swap have the same critical terms.

The detail of the interest rate swap is as follow:

	Contract/ Notional amount	Effective period	Fixed rate per annum	Floating rate per annum	Fair value liability
1 year to 3 years	USD13,400,000	30 October 2008 to 29 July 2011	5.5%	3 months SIBOR + 1.65%	RM1,340,901

Credit risk

There is minimal credit risk as the swap was entered into with a reputable bank.

Cash requirements

The Group is exposed to minimal cash flow risk in view of its healthy cash positions.

b) (Loss)/gain arising from fair value changes in financial liabilities.

The fair value (loss)/gain arising from fair value changes in financial liabilities during the period ended 31 March 2010 are as follows:

		Fair value (loss)/gain included as part of hedging reserve	Fair value (loss)/gain included as part of retained earnings
		RM	RM
(i)	Interest rate swap*, qualifying as hedge accounting		
-	Adjusted opening balance	(1,703,160)	-
-	Current quarter (included within other comprehensive (losses)/income)	362,258	-
(ii)	Forward contract**		
-	Adjusted opening balance	-	(301,520)
-	Current quarter (included within Other gain–net)	-	301,520
	Net fair value loss	(1,340,902)	-

* The fair value represents 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.

** The fair value is determined using forward exchange market rates at the balance sheet date

25. Material litigation

Save as disclosed below, there were no material litigations pending or changes to the status of material litigations since 18 February 2010 to 24 May 2010:-

(i) ARBITRATION - INTERNATIONAL CHAMBER OF COMMERCE
CASE NO. 15978/JEM

On 17 December 2008, Socotherm S.p.A. ("Claimant") commenced a Request for Arbitration against the Company and its indirect wholly-owned subsidiary, Wasco Coatings Limited ("WCL").

The Claimant and WCL are shareholders of PPSC Industrial Holdings Sdn Bhd ("PPSCIH"), an investment holding company where the Claimant holds 32.52% and WCL holds 67.48% in the total paid-up capital of PPSCIH. PPSCIH in turn holds 78.00% of the paid-up capital of PPSC Industries Sdn Bhd ("PPSC"), a company principally involved in the coating of pipes for the oil and gas industry. However, in October 2009, WCL has completed the acquisition of the Claimant's 32.52% interest in PPSCIH.

The Claimant alleges that the transfer of 25,508,858 shares in PPSCIH ("PPSCIH Shares") from the Company to WCL, as part of an internal restructuring, is in breach of the joint venture agreement dated 16 December 1991 and supplemental agreement dated 14 July 1997 ("said Agreements") and that the Company and WCL have breached certain territorial limit provisions under the said Agreements in England, Holland, Switzerland, Denmark, Israel, Trinidad, Nigeria and Saudi Arabia.

The Claimant is seeking for an order for the PPSCIH Shares to be transferred back from WCL to the Company with immediate effect and damages to be assessed by the Arbitral Tribunal for the breach of the territorial limits provisions under the said Agreements.

On 12 February 2009, the Company and WCL filed the Answer to the Request for Arbitration denying all allegations of breach by the Claimant and seeking the Arbitral Tribunal to disallow the Claimant's claim in whole.

The matter is now fixed for hearing in early July 2010.The management and Directors are confident of a favorable outcome of this matter. The ultimate outcome however cannot be presently determined.

(ii) ARBITRATION - INTERNATIONAL CHAMBER OF COMMERCE, PARIS
CASE NO.16139/CYK

On 24 February 2009, the Company's indirect subsidiary, PPSC Industries Sdn Bhd ("Claimant") commenced a Request for Arbitration against Socotherm S.p.A. ("Respondent").

The Claimant is a 78.00% owned subsidiary of PPSC Industrial Holdings Sdn Bhd ("PPSCIH"), which in turn is a subsidiary of Wasco Coatings Limited ("WCL"). WCL is an indirect wholly owned subsidiary of the Company held via Wasco Energy Ltd. Both WCL and the Respondent are the shareholders of PPSCIH, an investment holding company where the Respondent holds 32.52% and WCL holds 67.48% of the total paid-up capital of PPSCIH. However, in October 2009, WCL completed the acquisition of the Respondent's 32.52% interest in PPSCIH.

The Claimant alleged that the Respondent has breached certain territorial limit provisions under the Joint Venture Agreement dated 16 December 1991 and Supplemental Agreement ("SA") dated 14 July 1997 arising from its activities in the Extended Territories (defined in the SA) which directly competes with the Claimant's activities in the Extended Territories in particular Vietnam, India, Australia, Indonesia and China.

On 19 May 2009, the Respondent filed its answer and counterclaim to the Claimant's Request. The Claimant has filed its reply to the Respondent.

This arbitration has been consolidated with the arbitration referred to in Note 25 (i) above. The matter is now fixed for hearing in early July 2010. The management and Directors are confident of a favorable outcome of this matter. The ultimate outcome however cannot be presently determined.

25. Material litigation (continued)

(iii) On 8 December 2008, Gas Services International Limited ("GSI"), a subsidiary of the Company was served with a Particulars of Claim by Weatherford UK Limited ("Weatherford"). The claim was for an alleged breach of contract by GSI for the provision of 28 booster compressor ("Boosters") to Weatherford originally aggregating to approximately Euro7.166 million. The claim was revised to approximately Euro5.03 million. The alleged breaches include failure to deliver the Boosters on time for testing and commissioning, non-compliance with relevant standards, specification and fitness for purpose and failure to meet obligations relating to commissioning and on site support. On 23 January 2009, GSI filed a Defence and Counterclaim amounting to originally approximately USD5.58 million denying all the allegations of breach of contract and losses claimed by Weatherford and for Weatherford's failure to make settlement towards outstanding payments and for additional costs incurred arising from changes, variations and/or additional works and requirements. GSI's counterclaim was revised to USD5.09million. GSI and Weatherford have on 1 April 2010 executed a settlement agreement. After the delivery by GSI of certain documentation relating to the certifications of the Boosters which are within the possession or control of GSI and the operational manuals and parts books applicable for the Boosters and confirmation that no further documentation are within GSI's possession or control, Weatherford will pay GSI the sum of US$2,000,000.00 in full satisfaction of all the claims referred to above. The settlement is expected to be completed by July 2010.

26. Earnings per share (EPS)

(i) Basic earnings per share

The basic earnings per share for the current quarter and current period to-date have been computed based on profit attributable to the equity holders of the Company of RM17.02 million and the weighted average number of ordinary shares of RM0.50 each in issue less shares bought back during the financial period, with adjustment for the potential ordinary shares that would be issued upon conversion of all outstanding Irredeemable Convertible Unsecured Loan Stocks ("ICULS"), from the date the contract was entered into:

	Current Quarter Ended 31 March 2010 No. of Shares	Current Period To-date 31 March 2010 No. of Shares
Weighted average number of ordinary shares in issue less shares bought back with the adjustment for potential ordinary shares that would be issued upon conversion of all outstanding ICULS ('000)	756,174	756,174

	Current Quarter Ended 31 March 2010	Current Period To-date 31 March 2010
EPS – Basic (Sen)	2.25	2.25

(ii) Diluted earnings per share

The Warrants 2008/2013 are anti-dilutive and hence the calculation of diluted earnings per share for the financial period does not assume the exercise of the Warrants 2008/2013.

27. Contingent Liabilities

There were no contingent liabilities arising since the last annual audited balance sheet date.

By Order of the Board

Woo Ying Pun
Lam Voon Kean
Company Secretaries

Penang