

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
 Stock name : WASEONG
 Financial Period Ended : 31 DECEMBER 2010
 Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Particulars	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 December 2010 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2009 Unaudited and not restated (N1) RM'000	Current Year To-date Ended 31 December 2010 Unaudited RM'000	Preceding Corresponding Year To-date Ended 31 December 2009 Unaudited and not restated (N1) RM'000
Gross revenue	397,228	455,070	1,523,356	1,950,308
Cost of sales	(325,480)	(322,752)	(1,246,925)	(1,498,191)
Gross profit	71,748	132,318	276,431	452,117
Other operating income	25,110	38,559	46,556	77,063
Selling and distribution expenses	(7,810)	(5,596)	(39,006)	(34,714)
Administration and general expenses	(48,533)	(85,233)	(170,194)	(213,517)
Other gain – net	2,016	-	2,164	-
Finance costs	(5,473)	(10,698)	(24,091)	(36,605)
Share of results of associates and jointly controlled entities	(1,798)	799	(5,704)	1,438
Profit before tax	35,260	70,149	86,156	245,782
Tax expense	(7,538)	(19,980)	(21,204)	(39,543)
Net profit for the financial period/year	27,722	50,169	64,952	206,239
Net profit attributable to:				
- Owners of the Company	24,768	34,840	55,981	121,322
- Non-controlling interests	2,954	15,329	8,971	84,917
	27,722	50,169	64,952	206,239

Earnings per share				
- Basic earnings per share (sen)	3.20	4.50	7.35	15.98
- Diluted earnings per share (sen)	3.20	4.50	7.35	15.98

Net profit for the financial period/year	27,722	50,169	64,952	206,239
Other comprehensive income/(loss), net of tax:				
Available-for-sale financial assets				
– Fair value gain/(loss)	2	-	(21)	-
Cash flow hedge				
– Fair value gains	237	-	1,172	-
– Tax charge on fair value gain	(40)	-	(199)	-
– Reclassification	-	-	(25)	-
Foreign currency translation differences for foreign operations for the financial period/year	661	(830)	(7,799)	(2,872)
	860	(830)	(6,872)	(2,872)
Total comprehensive income for the financial year/period, net of tax	28,582	49,339	58,080	203,367
Total comprehensive income attributable to:				
- Owners of the Company	24,766	31,526	51,318	118,692
- Non-controlling interests	3,816	17,813	6,762	84,675
	28,582	49,339	58,080	203,367

(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 DECEMBER 2010
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2010 Unaudited	As at 31 December 2009 Audited and not restated (N1)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	541,463	612,036
Prepaid lease payments	79,719	80,847
Investment properties	6,172	2,823
Investment in associates	17,091	22,403
Investment in jointly controlled entities	27,625	36,366
Available-for-sale financial assets	1,137	1,096
Derivative financial asset	10	-
Goodwill	110,469	126,284
Intangible assets	549	4,187
Deferred tax assets	9,581	7,458
	<u>793,816</u>	<u>893,500</u>
Current Assets		
Inventories	243,115	290,414
Amounts due from customers on contracts	46,000	160,164
Trade and other receivables	481,078	356,508
Amount owing by associates	4,079	3,606
Amount owing by jointly controlled entities	7,044	6,183
Tax recoverable	12,217	24,466
Derivative financial assets	2,187	-
Time deposits	175,531	249,497
Cash and bank balances	189,891	222,397
	<u>1,161,142</u>	<u>1,313,235</u>
Non-Current Assets Held for Sale	<u>54,753</u>	<u>-</u>
TOTAL ASSETS	<u>2,009,711</u>	<u>2,206,735</u>
EQUITY AND LIABILITIES		
Capital and Reserves Attributable to Owners of the Company		
Share capital	361,971	343,370
Equity component of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	11,701	-
Share premium	165,348	169,068
Warrants reserve	25,786	25,786
Exchange translation reserves	(9,930)	(4,340)
Capital reserves	85	85
Treasury shares	(138)	(11,624)
Hedging reserve	(439)	-
Available-for-sale reserve	41	-
Retained profits	370,761	363,271
Equity attributable to owners of the Company	<u>925,186</u>	<u>885,616</u>
Non-controlling interests	115,052	148,956
TOTAL EQUITY	<u>1,040,238</u>	<u>1,034,572</u>

(The Condensed Consolidated Statement of Financial Position 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 DECEMBER 2010
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	As at 31 December 2010 Unaudited RM'000	As at 31 December 2009 Audited and not restated (N1) RM'000
Non-Current and Deferred Liabilities		
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	8,678	35,259
Hire purchase liabilities	31	53
Term loans	428,365	435,873
Deferred tax liabilities	18,831	26,405
Other liabilities	2,415	2,740
	458,320	500,330
Current Liabilities		
Amounts due to customers on contracts	32,992	36,014
Trade and other payables	246,238	310,781
Amount owing to associates	68	-
Amount owing to jointly controlled entities	279	-
Derivative financial liability	414	-
Provision for warranties	18,604	22,585
Hire purchase liabilities	24	56
Term loans	75,635	187,203
Bank borrowings	116,042	92,997
Dividend payable	1,343	3,419
Current tax liabilities	9,183	18,778
	500,822	671,833
Non-Current Liabilities Held For Sale	10,331	-
TOTAL LIABILITIES	969,473	1,172,163
TOTAL EQUITY AND LIABILITIES	2,009,711	2,206,735

(The Condensed Consolidated Statement of Financial Position 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 DECEMBER 2010
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 These figures have not been audited

	----- Attributable to owners of the Company -----											
	Share capital RM'000	Share premium RM'000	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	Non-controlling 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 financial year	-	-	-	(2,630)	-	-	-	-	121,322	118,692	84,675	203,367
Transactions with owners:												
Share buy-back (including transaction costs)	-	-	-	-	-	(1,486)	-	-	-	(1,486)	-	(1,486)
Issue of shares:												
- conversion of ICULS	11,896	-	-	-	-	-	-	-	-	11,896	-	11,896
- bonus shares arising from conversion of ICULS	2,974	(2,974)	-	-	-	-	-	-	-	-	-	-
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(34,652)	(34,652)	-	(34,652)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,032)	(6,032)
Total contributions by and distributions to owners	14,870	(2,974)	-	-	-	(1,486)	-	-	(34,652)	(24,242)	(6,032)	(30,274)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
 These figures have not been audited

----- Attributable to owners 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	Non-controlling interests RM'000	Total equity RM'000
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	213	213
Acquisition of a new subsidiary	-	-	-	-	-	-	-	-	-	-	27	27
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,615	2,615
Acquisition of shares in an existing subsidiary from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(95,130)	(95,130)
Total changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-	-	-	-	(92,275)	(92,275)
Total transaction with owners	14,870	(2,974)	-	-	-	(1,486)	-	-	(34,652)	(24,242)	(98,307)	(122,549)
At 31 December 2009	343,370	169,068	25,786	(4,340)	85	(11,624)	-	-	363,271	885,616	148,956	1,034,572

(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 DECEMBER 2010
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

These figures have not been audited

	----- Attributable to owners 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	Non- controlling 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 at 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 financial year	-	-	-	-	(5,590)	-	-	948	(21)	55,981	51,318	6,762	58,080
Transactions with owners:													
Share buy-back (including transaction costs)	-	-	-	-	-	-	(977)	-	-	-	(977)	-	(977)
Issue of shares:													
- conversion of ICULS	14,881	(8,544)	-	-	-	-	-	-	-	-	6,337	-	6,337
- bonus shares arising from conversion of ICULS	3,720	-	(3,720)	-	-	-	-	-	-	-	-	-	-
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	-	(35,578)	(35,578)	-	(35,578)
Share dividends to owners of the Company	-	-	-	-	-	-	12,463	-	-	(12,463)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(12,318)	(12,318)
Total contributions by and distributions to owners	18,601	(8,544)	(3,720)	-	-	-	11,486	-	-	(48,041)	(30,218)	(12,318)	(42,536)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
 These figures have not been audited

	----- Attributable to owners of the Company -----												
	Share capital	Equity component of ICULS	Share premium	Warrants reserve	Exchange translation reserves	Capital reserves	Treasury shares	Hedging reserve	Available-for-sale reserve	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	4,944	4,944
Acquisition of shares in existing subsidiaries from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,292)	(33,292)
Total changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-	-	-	-	-	(28,348)	(28,348)
Total transactions with owners	18,601	(8,544)	(3,720)	-	-	-	11,486	-	-	(48,041)	(30,218)	(40,666)	(70,884)
Balance as at 31 December 2010	361,971	11,701	165,348	25,786	(9,930)	85	(138)	(439)	41	370,761	925,186	115,052	1,040,238

(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 DECEMBER 2010
 Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter ended 31 December 2010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To-date Ended 31 December 2010 Unaudited RM'000	Preceding Corresponding Year To-date Ended 31 December 2009 Unaudited and not restated (N1) RM'000
Cash Flow From Operating Activities		
Profit before tax	86,156	245,782
Adjustments for:-		
Non cash items	44,585	56,928
Non-operating items	17,813	31,565
Operating Profit Before Changes in Working Capital	148,554	334,275
Net changes in current assets	(9,856)	196,312
Net changes in current liabilities	(55,059)	(102,759)
Cash generated from operations	83,639	427,828
Interest received	6,278	5,040
Interest paid	(24,091)	(36,605)
Taxation paid (net)	(26,240)	(37,953)
Net Cash Generated From Operating Activities	39,586	358,310
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(25,701)	(110,509)
Proceeds from disposal of property, plant and equipment and investment properties	526	10,762
Additional prepaid lease payments	(24)	(1,177)
Proceeds from redemption of RPS shares by an associate	-	1,000
Payment for subscription of interest in a jointly controlled entity	(2,801)	-
Dividend received from an associated company	339	-
Dividend received from a jointly controlled entity	948	1,169
Proceeds from disposal of available-for-sale financial assets	-	27,493
Acquisition of shares from non-controlling interests in existing subsidiaries	(10,767)	(58,176)
Balance consideration paid to vendor of subsidiary upon achievement of profit guarantee	-	(350)
Net cash flow from acquisition of subsidiary	-	(2,860)
Net cash outflow from partial disposal of a subsidiary	-	(741)
Net Cash Used in Investing Activities	(37,480)	(133,389)
Cash Flow From Financing Activities		
Purchase of treasury shares	(977)	(1,486)
Net (repayment)/drawdown of borrowings	(40,521)	96,625
Proceeds from issue of shares to non-controlling interests of subsidiaries	-	2,845
Dividends paid to non-controlling interests of subsidiaries	(14,394)	(2,613)
Dividends paid to owners of the Company	(35,578)	(34,652)
Restricted cash	(1,295)	-
Net Cash (Used in)/Generated From Financing Activities	(92,765)	60,719
Net Movement in Cash and Cash Equivalents	(90,659)	285,640
Currency Translation Differences	(12,882)	(411)
Cash and Cash Equivalents within Non-Current Assets Held For sale	(4,226)	-
Cash and Cash Equivalents at the Beginning of Financial Year	471,894	186,665
Cash and Cash Equivalents at the End of Financial Year	364,127	471,894
Cash and Cash Equivalents at the end of the financial year comprise of the following:		
Cash and bank balances	189,891	222,397
Time deposits	175,531	249,497
Less: Bank overdraft	-	-
Less: Restricted cash	(1,295)	-
	364,127	471,894

(The Condensed Consolidated Statement of Cash Flows 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 DECEMBER 2010
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2010

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:

- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
- FRS 7 "Financial Instruments: Disclosures" and Amendments to FRS 7 "Financial Instruments: Disclosures"
- FRS 8 "Operating Segments" and Amendment to FRS 8 "Operating Segments"
- FRS 101 "Presentation of Financial Statements" (Revised 2009)
- Amendment to FRS 117 "Leases"
- FRS 123 "Borrowing Costs" and Amendment to FRS 123 "Borrowing Costs"
- Amendments to FRS 132 "Financial Instruments: Presentation"
- Amendment to FRS 134 "Interim Financial Reporting"
- FRS 139 "Financial Instruments: Recognition and Measurement"
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 10 "Interim Financial Reporting and Impairment"
- Improvements to the following FRSs:
 - FRS 7 "Financial Instruments: Disclosures"
 - FRS 8 "Operating Segments"
 - FRS 101 "Presentation of Financial Statements" (Revised 2009)
 - FRS 107 "Statement of Cash Flows"
 - FRS 108 "Accounting Policies, Changes in Estimates and Errors"
 - FRS 110 "Events after the Reporting Period"
 - FRS 116 "Property, Plant and Equipment"
 - FRS 117 "Leases"
 - FRS 123 "Borrowing Costs"
 - FRS 136 "Impairment of Assets"
 - FRS 139 "Financial Instruments"

Other than the effects 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.

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 DECEMBER 2010**
Quarter : **4**

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 reclassified to conform to the revised presentation.

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

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 132₂₀₀₄ 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 position	At 1		At 1 January 2010, as restated RM'000
	January 2010, as previously stated RM'000	Effects of change in accounting policy RM'000	
ICULS	35,259	(20,245)	15,014
Equity component of ICULS	-	20,245	20,245

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

1. Basis of preparation (continued)

- (i) Changes in Accounting Policies (continued)
- (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.

Financial assets

Financial assets are classified as loans and receivables, Available-for-sale ("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.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

1. Basis of preparation (continued)

- (i) Changes in Accounting Policies (continued)
- (d) FRS 139: Financial Instruments: Recognition and Measurement (continued)

(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.

(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.

Derivative Financial Instruments

Prior to 1 January 2010, derivative financial instruments were not recognised in the financial statements. With the adoption of FRS 139, derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivative as hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within other gains/(losses) - net.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss within fair value gains/(losses) on derivative financial instruments.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

1. Basis of preparation (continued)

(i) Changes in Accounting Policies (continued)

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

Derivative Financial Instruments (continued)

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges and accounted for under hedge accounting are recognised in the hedging reserve and transferred to 'Finance cost' in the profit or loss when the interest expense on the borrowings is recognised in the profit or loss. The fair value changes on the ineffective portion of the interest rate swaps accounted for under hedge accounting are recognised immediately in the profit or loss. The fair value changes for interest rate swaps not accounted for under hedge accounting methods are recognised directly in the profit or loss.

The carrying amount of the 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 a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

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 position 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 RM'000	Retained profits RM'000	Hedging reserve RM'000
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 enhanced disclosures about fair value measurement and liquidity risk in the full year financial statements. In particular, the amendment requires disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe management's objectives, policies and procedures for managing those risks. The quantitative disclosures provide information about the extent to which the Group is exposed to risk. These enhanced disclosure requirements have 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.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

1. Basis of preparation (continued)

(ii) Comparative figures

FRS 101: Presentation of financial statements (revised)

Arising from the adoption of FRS101 (revised), income statements for the financial year ended 31 December 2009 has been re-presented as statement of comprehensive income. All non-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 December 2010 No. of Shares	Current Year To-date 31 December 2010 No. of Shares
Issuance of ordinary shares:		
Conversion of ICULS	-	29,762,000
Bonus shares arising from conversion of ICULS	-	7,440,500
	-	37,202,500

During the fourth quarter of 2010, the Company repurchased 20,000 of its issued ordinary shares from the open market (year to-date: 415,000). On 13 April 2010, a total of 5,857,451 treasury shares were distributed to the shareholders on the basis of one (1) treasury share for every one hundred and twenty (120) existing Wah Seong Corporation Berhad ordinary shares of RM0.50 each held at the entitlement date on 25 March 2010 as special tax exempt share dividend. As at 31 December 2010, the number of treasury shares held after deducting the above share dividend distribution was 65,549 shares.

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

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

7. Dividends

The Directors approved the declaration of the second interim cash dividend of 2.5 sen per share Malaysian tax exempt in respect of the financial year ended 31 December 2010. The entitlement date is fixed on 7 March 2011 and be payable on 1 April 2011.

The Directors do not propose any final dividend for the financial year ended 31 December 2010.

Dividend paid

a) In respect of the financial year ended 31 December 2009:

On 23 February 2010, the Directors declared a second interim dividend, comprising:

- Cash dividend of 3.0 sen per share (Malaysian tax exempt); and
- Special share dividend (Malaysian tax exempt) distributed from the treasury shares of the Company as mentioned in Note 6 above.

These were paid/credited into the entitled shareholders securities accounts on 13 April 2010.

b) In respect of the financial year ended 31 December 2010:

On 25 August 2010, the Directors declared a first interim cash dividend of 2.0 sen per share (Malaysian tax exempt) which was paid on 1 October 2010.

8. Segment information

	Revenue		Profit before tax	
	Financial Year Ended 31 December		Financial Year Ended 31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Pipe coating division	331,792	462,941	73,460	128,958
Pipe manufacturing division	250,303	496,683	1,068	79,176
Engineering division	212,885	319,918	(19,477)	(4,881)
Renewable energy division	184,569	227,619	31,561	41,428
Trading division	471,218	399,198	12,313	12,231
E&P services division	127,457	167,610	4,598	5,341
Others	922	13,587	(17,367)	(16,471)
	<u>1,579,146</u>	<u>2,087,556</u>	<u>86,156</u>	<u>245,782</u>
Inter-segment elimination	(55,790)	(137,248)	-	-
	<u>1,523,356</u>	<u>1,950,308</u>	<u>86,156</u>	<u>245,782</u>

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 DECEMBER 2010**
Quarter : **4**

9. 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 except for the following:

On 26 January 2011 and 31 January 2011, the Company announced the proposed disposal by its wholly-owned indirect subsidiary, namely Yadong-Anti Corrosion (Int) Co. Ltd. ("YAC") of the shares and assets held in a joint venture company, Arabian-Yadong Coating Co. Ltd ("AYC") pursuant to two (2) separate Sale and Purchase Agreements dated 26 January 2010:

- (a) to dispose of YAC's 60,000 shares (50% equity interest) in AYC to Arabian Pipes Co., ("APC"), for a total consideration of USD2,552,000 (equivalent to RM7,788,704 based on the exchange rate of USD1.000 to RM3.052); and
- (b) to dispose of the machinery and equipment for the external coating of steel pipes, including auxiliary equipment, industrial utilities, attachments, tooling, spare parts and, as available, all designs and drawings, plans, manufacturing data, technical publications and other documents related thereto to APC, for a total consideration of USD900,000 (equivalent to RM2,746,800 based on the exchange rate of USD1.000 to RM3.052).

The aforementioned disposals of shares and assets are expected to be completed simultaneously, subject to the satisfaction of the conditions precedent, in any event not later than three (3) months from the date of the Sale and Purchase Agreements. Upon completion, YAC will cease to be the Company's indirect jointly control entity.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the quarter under review except for the following :-

- (i) On 28 December 2010, the Company announced the proposed disposals of shares by the following subsidiaries of the Company pursuant to two (2) separate Sale and Purchase Agreements dated 27 December 2010 :-
 - (a) Wah Seong International Pte Limited ("WSIPL"), the Company's wholly-owned direct subsidiary, to dispose WSIPL's 2,182,800 shares (60% equity interest) in DrilBits International Private Limited ("DrilBits") to Omni Oil Technology Holdings Limited (a Jebel Ali Offshore Free Zone Company), for a total consideration of USD2,700,000 (equivalent to RM8,356,500 based on the exchange rate of USD1.000 to RM3.095); and
 - (b) Wasco E&P Services Limited ("Wasco E&P Services"), the Company's wholly-owned indirect subsidiary, to dispose Wasco E&P Services' 24 shares (60% equity interest) in DrilTools International FZCO ("DrilTools") to Omni Oil Technology Holdings Ltd. (a company incorporated in British Virgin Islands), for a total consideration of USD4,800,000 (equivalent to RM14,856,000 based on the exchange rate of USD1.000 to RM3.095).

The aforementioned disposals of shares are expected to be completed simultaneously in the first quarter of 2011, subject to the satisfaction of the conditions precedent. Upon completion, DrilBits and DrilTools will cease to be the Company's subsidiaries.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

10. Changes in the composition of the Group (continued)

- (ii) The Company announced on 3 January 2011, that its indirectly wholly-owned subsidiary, Wasco Coatings HK Limited ("WCHK") (formerly known as PPSC (HK) Limited), has completed the transfer of the remaining 525,546 shares not held by WCHK, which is equivalent to 18.75% equity interest in Kanssen (Yadong) Pipe Coating Services Limited ("Kanssen") from Good & Good Limited (In Liquidation) ("G&G"), in lieu of G&G's payment of the sum of USD5.8 million (equivalent to RM17,884,300 based on the exchange rate of USD1.0000 to RM3.0835) under a court order judgement awarded by the High Court of Justice, British Virgin Islands pursuant to the Sale and Purchase Agreement dated 12 April 2005 entered into between amongst others, WCHK and G&G.

With the completion of the aforesaid transfer of shares, Kanssen becomes a wholly-owned subsidiary of WCHK and hence, an indirectly wholly-owned subsidiary of the Company.

11. Capital commitments

Capital commitments not provided for in the interim report:-

	As at 31 December 2010 RM'000
Approved and contracted for	55
Approved but not contracted for	46,609

12. Operating lease commitments

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

	As at 31 December 2010 RM'000
Payable not later than one year	4,056
Payable later than one year and not later than five years	4,831

Other information required by Bursa Securities Main Market Listing Requirements

13. Review of performance of the Company and its principal subsidiary companies for the current quarter and financial year ended 31 December 2010

The Group's revenue for the fourth quarter and financial year ended 31 December 2010 was RM397.2 million and RM1,523.4 million respectively, compared with RM455.1 million and RM1,950.3 million in the corresponding periods in 2009, representing a decrease of 12.7% and 21.9% respectively. The decline was due to lower revenue generated in the main divisions as a result of lower number of projects awarded in the market during 2009 and the unfavourable effect of foreign exchange fluctuations.

The profit before taxation for the fourth quarter and financial year ended 31 December 2010 was RM35.3 million and RM86.2 million respectively compared with RM70.1 million and RM245.8 million in the corresponding periods in 2009. This was mainly due to the lower revenue generated.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

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

The profit before taxation improved from RM18.9 million in the third quarter to RM35.3 million in the current quarter. This was the result of increasing activities in the main divisions of the Group.

15. Current period prospects

Following the increase in bidding activities in the market as highlighted in the previous quarter, the Group managed to secure new projects in the current quarter. The increasing trend in the oil majors capital investment activities is expected to have a positive impact on the Group's future performance. The Group expects overall performance to remain positive for the financial year ending 31 December 2011.

16. Taxation

Taxation comprises the following:

	Current Quarter Ended 31 December 2010 RM'000	Current Year To-date Ended 31 December 2010 RM'000
Tax		
- Malaysia tax expense	(9,531)	(22,349)
- Foreign tax expense	1,993	1,145
	<u>(7,538)</u>	<u>(21,204)</u>

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

	Current Quarter Ended 31 December 2010 RM'000	Current Year To-date Ended 31 December 2010 RM'000
Profit before tax	<u>35,260</u>	<u>86,156</u>
Tax expense at the statutory tax rate – 25%	(8,815)	(21,539)
Profit from certain subsidiaries which are not subjected to tax or enjoy tax exemptions/ incentives	368	8,000
Other tax adjustments	909	(7,665)
	<u>1,277</u>	<u>335</u>
Tax expense	<u>(7,538)</u>	<u>(21,204)</u>

17. 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 year to-date. Unquoted investment had been reclassified from other investments to Available-for-sale financial assets in the Consolidated Statement of Financial Position upon the adoption of FRS 139 on 1 January 2010.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

18. Purchase or disposal of quoted securities

- (a) There was no purchase or sale of quoted securities in the current quarter and financial year to-date.
- (b) Investment in quoted securities as at 31 December 2010 (which had been reclassified from Other Investments to Available-for-sale financial assets in the Consolidated Statement of Financial Position 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 year to-date	(21)
Provision for impairment in value	
- Balance brought forward	(938)
- Current year to-date	-
At carrying value	87
At current market value	87

19. Profit forecast

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

20. Status of corporate proposals

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

21. Group borrowings and debt securities

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance	-	55,407	55,407
Revolving credit	7,431	53,204	60,635
Term loans	-	75,635	75,635
Hire purchase liabilities	24	-	24
Sub-total	7,455	184,246	191,701
Long term borrowings			
Term loans	2,932	425,433	428,365
Hire purchase liabilities	31	-	31
Sub-total	2,963	425,433	428,396
Total Group Borrowings	10,418	609,679	620,097

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	93,489
US Dollar	518,431
Euro Dollar	8,177
	620,097

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

22. Financial instruments

a) Derivatives

Derivatives outstanding as at 31 December 2010 consist of interest rate cap, interest rate swap and forward contracts 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. 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:

Time band	Notional amount	Effective period	Fair value asset
1 year to 3 years	USD14,680,000	29 January 2010 to 31 October 2012	RM10,152

This derivative had been recorded in 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.

(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 USD9,200,000. 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.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

22. Financial instruments (continued)

a) Derivatives (continued)

(ii) Interest rate swap (continued)

The details of the interest rate swap is as follow:

Time band	Notional amount	Effective period	Fixed rate per annum	Floating rate per annum	Fair value liability
1 year to 3 years	USD7,100,000	30 October 2008 to 29 July 2011	5.5%	3 months SIBOR + 1.65%	RM413,607

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.

(iii) Forward contracts

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

Time band	Currency to be paid	Currency to be received	Contract Amount (USD)	Average contractual rate	Fair value (RM)
Less than 1 year	AUD	USD	400,000	0.9914	27,590
Less than 1 year	USD	MYR	24,650,000	3.1491	1,407,719
Less than 1 year	USD	SGD	16,500,000	1.3074	607,677
Less than 1 year	EUR	USD	2,760,000	1.3110	142,081

Note:

USD – US Dollar

AUD – Australian Dollar

EUR – Euro Dollar

SGD – Singapore Dollar

MYR – Ringgit Malaysia

Credit risk

There is minimal credit risk as the forward contracts were entered into with a reputable bank.

Cash requirements

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

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

22. Financial instruments (continued)

- b) Loss arising from fair value changes in financial liabilities.

The fair value loss arising from fair value changes in financial liabilities during the financial year ended 31 December 2010 are as follows:

	Fair value (loss)/gain included as part of hedging reserve
	RM
Interest rate swap*, qualifying as hedge accounting	
- Adjusted opening balance	(1,703,160)
- Current financial year (included within other comprehensive income/(loss))	1,289,552
Net fair value loss	<u>(413,608)</u>

* 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.

23. Material litigation

Save as disclosed below, there were no material litigations pending or changes to the status of material litigations since 24 November 2010 to 11 February 2011:

- (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 were shareholders of PPSC Industrial Holdings Sdn Bhd ("PPSCIH"), an investment holding company where the Claimant held 32.52% and WCL held 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 acquired 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 damages to be assessed by the Arbitral Tribunal for the breach of the territorial limits provisions and the transfer of shares.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

23. Material litigation (continued)

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

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.

Hearing of the matter was conducted in early July 2010 and parties have submitted written submissions. Thereafter the Tribunal is expected make its findings. 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
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 was 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 were the shareholders of PPSCIH, an investment holding company where at the relevant time the Respondent held 32.52% and WCL held 67.48% of the total paid-up capital of PPSCIH. However, in October 2009, WCL acquired 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 24 (i) above. Hearing of the matter was conducted in early July 2010 and parties have submitted written submissions. Thereafter the Tribunal is expected make its findings. The management and Directors are confident of a favorable outcome of this matter. The ultimate outcome however cannot be presently determined.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

24. Earnings per share (EPS)

(i) Basic earnings per share

The basic earnings per share for the current quarter and current year to-date have been computed based on profit attributable to the owners of the Company of RM24.8 million and RM56.0 million respectively divided by the weighted average number of ordinary shares of RM0.50 each in issue after adjusting for movements in treasury shares during the financial year, and 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 December 2010 No. of Shares	Current Year To-date Ended 31 December 2010 No. of Shares
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares and the potential ordinary shares that would be issued upon conversion of all outstanding ICULS ('000)	774,886	761,707
	Current Quarter Ended 31 December 2010	Current Year To-date Ended 31 December 2010
EPS – Basic (Sen)	3.20	7.35

(ii) Diluted earnings per share

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

25. Contingent Liabilities

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

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 DECEMBER 2010
Quarter : 4

26. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits/(accumulated losses) is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31 December 2010 RM '000	As at 30 September 2010 RM '000
Total retained profits of the Company and its subsidiaries		
- Realised gains	366,896	350,494
- Unrealised losses	(23,847)	(36,925)
 Total share of retained profits from associates		
- Realised gains	2,875	7,562
- Unrealised gains	-	-
 Total share of retained profits from jointly controlled entities		
- Realised gains	18,155	16,922
- Unrealised losses	(61)	(69)
	<hr/> 364,018	<hr/> 337,984
 Less: Consolidation adjustments	<hr/> 6,743	<hr/> 8,009
 Total group retained profits as per consolidated financial statements	<hr/> 370,761	<hr/> 345,993

By Order of the Board

Woo Ying Pun
Lam Voon Kean
Company Secretaries

Penang