


**CHAIRMAN'S
STATEMENT**


Dear Shareholders,

On behalf of the Board of Wah Seong Corporation Berhad, I am pleased to present the Annual Report and the audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2009.

Overview

Economic and business conditions remained extremely challenging in 2009. While there were consistent signs that the global economy was shifting towards recovery through strong and well coordinated government policies and stimulus packages across the globe, high level of sovereign debts and the timing of stimulus exit were amongst some of the major challenges that affected the general sustainability of the global economic recovery.

On a more positive note, Asian economies, especially China and India, proved to be more resilient than expected during the 2008/09 financial crisis. Because of the continued weakness in the developed world, Asia, in which the Wah Seong group has significant presence, will surface to be the world's fastest growing region in 2010 and beyond.

Despite the difficult and challenging times, the Group achieved another year of good performance with a net profit of RM121.32 million in 2009, an improvement of 4.95% from RM115.60 million registered in 2008. More significantly, EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) showed a marked improvement to RM340.35 million from RM219.84 million achieved in 2008.

Current Year's Prospects

Although recent years have been challenging, the Group's balance sheet is the strongest it has ever been. This has been complemented by a strong and growing earnings contribution from the Group's core businesses. This position of strength will allow the Group to maximise returns from its existing business and also explore Merger & Acquisition opportunities in the immediate future.

Dividend

The Board had declared and paid the following dividends in respect of the financial year ended 31 December 2009:-

- (a) 1st interim tax-exempt cash dividend of 2.5 sen per ordinary share amounting to RM17,043,665 paid on 15 October 2009; and
- (b) 2nd interim dividend comprising:-
 - (i) tax-exempt cash dividend of 3.0 sen per ordinary share amounting to RM21,100,240; and
 - (ii) special tax-exempt share dividend ("special share dividend") distributed from the treasury shares of the Company on the basis of one (1) treasury share for every one hundred and twenty (120) existing ordinary shares held at the entitlement date. This resulted in a distribution of 5,857,451 ordinary shares. Based on the Company's closing share price of RM2.35 per ordinary share on 31 December 2009, the value of the special share dividend per ordinary share is equivalent to an approximate gross cash dividend of 1.96 sen.

The entitlement date of the 2nd interim dividend was fixed on 25 March 2010. The payment date of the cash dividend and the crediting of the special share dividend into the entitled Depositors' Securities Account maintained with Bursa Malaysia Depository Sdn Bhd was effected on 13 April 2010.

Acknowledgement

I wish to thank my fellow Board members for their services to the Group and on behalf of the Board of Directors, I extend my deep appreciation to the management team and the employees for their relentless and continuous drive, hard work, dedication and commitment to the Group. My sincere thanks to all our stakeholders and shareholders, business associates, clients, partners, suppliers, bankers and government authorities for their continuous support and confidence in us that has allowed our Group to transform into what it is today.

Thank you.

Robert Tan Chung Meng
Non-Executive Chairman



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