

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31ST MARCH 2010**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD TO DATE
	31/3/10	31/3/09	31/3/10	31/3/09
	RM'000	RM'000	RM'000	RM'000
Revenue	192,121	130,087	192,121	130,087
Operating expenses	(182,867)	(156,235)	(182,867)	(156,235)
Other expenses	-	(671)	-	(671)
Other income	486	-	486	-
Interest income	25	4	25	4
Finance cost	(3,067)	(3,631)	(3,067)	(3,631)
Profit/(Loss) before tax	6,698	(30,446)	6,698	(30,446)
Taxation	(346)	-	(346)	-
Profit/(Loss) for the period	6,352	(30,446)	6,352	(30,446)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/(Loss)	6,352	(30,446)	6,352	(30,446)
Profit/(Loss) and Total Comprehensive Income/(Loss) attributable to:				
Equity holders of the Company	6,352	(30,446)	6,352	(30,446)
Profit/(Loss) for the period	6,352	(30,446)	6,352	(30,446)
Earnings/(Loss) per share (sen)				
- Basic	3.26	(15.64)	3.26	(15.64)
- Diluted	N/A	N/A	N/A	N/A

The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year ended 31st December 2009 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2010**

	31/3/10	31/12/09
	RM'000	Restated RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant & Equipment	418,644	422,866
Other investment	9,000	9,000
	<u>427,644</u>	<u>431,866</u>
<u>Current Assets</u>		
Stocks	170,823	158,526
Debtors	123,346	113,658
Taxation recoverables	1,864	1,864
Short term deposit	17,881	12,073
Cash & bank balances	36,177	31,628
	<u>350,091</u>	<u>317,749</u>
TOTAL ASSETS	<u><u>777,735</u></u>	<u><u>749,615</u></u>
EQUITY AND LIABILITIES		
<u>Equity attributable to equity holders</u>		
Share capital	102,683	97,333
Share premium	28,369	22,977
Revaluation reserves	31,030	31,030
Treasury shares	(30)	(30)
Retained profit	272,361	266,009
Total Equity	<u>434,413</u>	<u>417,319</u>
<u>Non-Current Liabilities</u>		
Long term borrowings	64,498	67,410
	<u>64,498</u>	<u>67,410</u>
<u>Current Liabilities</u>		
Creditors	78,590	67,454
Taxation liabilities	45	-
Short term borrowings	200,189	197,432
	<u>278,824</u>	<u>264,886</u>
Total liabilities	<u>343,322</u>	<u>332,296</u>
TOTAL EQUITY AND LIABILITIES	<u><u>777,735</u></u>	<u><u>749,615</u></u>
Net Assets per share (RM)	2.12	2.14

The Unaudited Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2009 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31ST MARCH 2010**

	Current year 01/01/10 to 31/3/10 RM'000	Preceding Year 01/01/09 to 31/3/09 RM'000
Profit/(Loss) before tax	6,698	(30,446)
Adjustment for:		
Depreciation of property, plant and equipment	4,322	3,912
Others	2,975	3,131
Operating profit/(loss) before changes in working capital	13,995	(23,403)
Changes in working capital		
Net change in current assets	(21,986)	29,494
Net change in current liabilities	11,136	(9,917)
Cash generated from/(used in) operations	3,145	(3,826)
Interest paid	(2,925)	(3,057)
Income tax paid	(301)	(2,350)
Net cash outflow in operating activities	(81)	(9,233)
Investing activities		
Purchase of property, plant and equipment	(99)	(6,673)
Others	-	-
Net cash outflow in investing activities	(99)	(6,673)
Financing activities		
Bank borrowings	(155)	19,022
Issue of new shares (net of listing expenses)	10,742	-
Others	(50)	(74)
Net cash inflow from financing activities	10,537	18,948
Net increase in cash and cash equivalents	10,357	3,042
Cash and cash equivalents at beginning of the year	43,701	28,514
Cash and cash equivalents at end of the financial period	54,058	31,556
1 Cash and cash equivalents at end of the financial period comprise :		
Short term deposit	17,881	2,021
Cash and bank balances	36,177	35,794
Bank overdraft	-	(6,259)
	54,058	31,556

The Unaudited Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2009 and accompanying explanatory notes attached to the interim financial statements.

**THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31ST MARCH 2010**

	← Attributable to equity holders of the Company →					Total RM'000
	Non-distributable			Distributable		
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Retained Profit RM'000	Treasury Shares RM'000	
3 months ended 31st March 2009						
At 1st January 2009	97,333	22,977	31,030	278,968	-	430,308
Total comprehensive loss	-	-	-	(30,446)	-	(30,446)
At 31st March 2009	<u>97,333</u>	<u>22,977</u>	<u>31,030</u>	<u>248,522</u>	<u>-</u>	<u>399,862</u>
3 months ended 31st March 2010						
At 1st January 2010	97,333	22,977	31,030	266,009	(30)	417,319
Issue of shares (net of listing expenses)	5,350	5,392	-	-	-	10,742
Total comprehensive income	-	-	-	6,352	-	6,352
At 31st March 2010	<u>102,683</u>	<u>28,369</u>	<u>31,030</u>	<u>272,361</u>	<u>(30)</u>	<u>434,413</u>

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2009 and accompanying explanatory notes attached to the interim financial statements.

MALAYSIA STEEL WORKS (KL) BHD
(Company No. 7878-V)

SELECTED EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING FOR THE QUARTER ENDED 31ST MARCH 2010

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirement of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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

A2. Accounting Policies and Methods of Computation

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the audited financial statements for the year ended 31st December 2009, except for the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretation which are applicable to its financial statements with effect from 1st January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments (effective from 1 st July 2009)
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 117	Leases
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRSs	Improvements to FRSs (2009)

Other than as explained below, the application of the above FRSs, IC Interpretations and Amendments did not have significant impact on the financial statements of the Group.

(a) FRS 8: Operating segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes that are regularly reviewed by the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the segments. The Group’s reportable segment is primarily based on long steel products, which nature of business, financial effects and economic environments in which it operates are similar. As such the segmental information on revenue, results and assets are disclosed in the condensed consolidated statements of comprehensive income.

(b) FRS 101: Presentation of Financial Statements (revised)

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement cash flows and notes to the financial statements.

The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

(c) Amendment to FRS 117: Lease

This amendment removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. The Group has reassessed and determined that all leasehold land of the Group are in substance finance leases and has reclassified the leasehold land from prepaid lease payments for land to property, plant and equipment.

The reclassification has been made retrospectively and the comparative figures have been restated as follows:-

	As reported previously RM'000	Effect of adopting Amendment to FRS 117 RM'000	As restated RM'000
Property, plant and equipment	352,264	70,602	422,866
Prepaid lease payments for land	70,602	(70,602)	-

The adoption of Amendment to FRS 117 does not have any impact to the financial results of the Group for the current financial year to date and corresponding period last year.

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

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted.

All financial instruments are recognised initially at fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial instruments. Subsequent to the initial recognition, the financial instruments are measured in accordance with the designation of the financial instruments.

In accordance with the transitional provisions of FRS 139, the impact of applying FRS 139 upon first adoption is applied prospectively with adjustments to be made to the opening balances in the statement of financial position. Comparative figures need not be adjusted.

A3. Qualification of Financial Statements

The financial statements for the financial year ended 31st December 2009 was not qualified.

A4. Seasonal or Cyclical factors

The operations of the Company are subject to both cyclical factors in the construction industry as well as festive seasons.

A5. Extraordinary items

There are no extraordinary items for the financial period under review.

A6. Changes in Estimates

There have been no changes in the estimates of amount for the period under review.

A7. Debts and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayment of debts and equity securities for the current quarter under review, save as disclosed below.

As at 31st March 2010, a total of 30,000 shares were held as treasury shares out of its total issued share capital of 194,666,666 shares at an average price of RM0.99 per share. The share buyback transactions were financed by internal generated funds.

A8. Dividend

There was no dividend paid by the company during the quarter under review.

A9. Valuation

The valuations of the freehold and leasehold land have been brought forward, without amendment, from the previous audited financial statements for the year ended 31st December 2009.

The property, plant and equipment are stated at cost except for the freehold and leasehold land which are stated at valuation, less accumulated depreciation. There was no valuation of property, plant and equipment for the current quarter under review and financial year-to-date.

A10. Material subsequent events

There are no material subsequent events between the end of the current quarter under review and the date of this report.

A11. Changes in the composition of the Group

There was no change in the composition of the Group during the current quarter under review.

A12. Changes in contingent liabilities

The following are pending litigation in respect of claims instituted against the Company:-

- (i) Claim of RM1.23 million for the balance of the purchase price for goods sold. The Company had filed a defence and counter claim for damages of RM3.73 million. The case was heard on 2nd May 2006 and on 19th September 2006 judgment was delivered. The claim of RM1.23 million was dismissed with cost and the court then gave judgment in favour of the Company on its counter claim for RM3.73 million together with cost and interest of 8% per annum from January 1999 until full payment. The total compensation sum up to December 2006, would be approximately RM6.0 million. The supplier had filed its notice of appeal in the Court of Appeal on the above judgment. On 15th May 2008, the Court of Appeal was handed down wherein the supplier's appeal was allowed and the High Court Judgment was set aside. The Company filed a Notice of Motion on 12th June 2008 to apply for leave to appeal and waiting for the date hearing at the Federal Court. In respect of the cost of the Court of Appeal and High Court proceedings, the supplier had filed its application for taxation of costs in the Court of Appeal. The hearing for the taxation of costs in the Court of Appeal fixed on 19th June 2009 had been further adjourned to 4th September 2009 and on this date this matter had been further adjourned to 20th November 2009 for hearing. On 20th November 2009, the Court of Appeal taxed down the Supplier's claim for costs of RM400,036.44 to RM37,222.10 as the overall costs to the Supplier. The Company application for leave to appeal to Federal Court has been dismissed with costs of RM30,000 awarded to the supplier. The taxation of costs in the High Court is yet to be taxed.
- (ii) Arbitration for letter of demand against the Company for RM2.44 million had commenced and the parties have filed their respective claims and counterclaims. The Company had a counterclaim in excess of the claim. The solicitors of the Company are of the opinion that the Company chances of success in the claim proper are good. The Company had further filed an application in court for security for cost and was fixed for hearing on 14th June 2007. On the 14th June 2007, the hearing proceeded and the decision was delivered on 21st June 2007. The Learned Judge allowed the application for security for costs of RM75,000. The Arbitrator had also stayed the arbitration proceedings pending the outcome of that application for security for cost.

The supplier had filed an appeal to the Court of Appeal against this order for security for cost. Both parties had filed leave applications to the Court of Appeal on 22nd April 2008 and leave was granted for both parties to file the Appeal within 14 days. On 30th April 2008 the Company had filed their Notice of Appeal. The Supplier had served their Record of Appeal and the Company have filed and served our Record of Appeal on 6th July 2009 and now awaiting a hearing to be fixed by the Court of Appeal for the said appeals.

- (iii) Claims of RM7.56 million for goods sold and delivered together with interest. The solicitors of the Company are of the opinion that such a claim would fail in court since there appears to be no agreements whatsoever, nor any prior demand or claim made by supplier regarding the interests and that so long as the supplier has accepted periodical payments by the Company unequivocally, they cannot now insist that interest are due to them. The supplier had filed their Statement of Claim to which the Company had filed a Statement of Defence and Counterclaim. The supplier had filed their Defence to the Counterclaim on 1st September 2006 and their Summary Judgment Application on 19th June 2007. The said application was fixed for mention on 26th August 2008 and on this date this matter had been further adjourned to 23rd September 2008 for hearing. This matter was fixed for mention before the Deputy Registrar on 21st January 2009 and on this date this matter had been further adjourned to 22nd April 2009 for hearing. On 22nd April 2009, the court had directed the parties file their respective submissions in court and fixed this matter for Decision on 13th August 2009. On 13th August 2009, the High Court had dismissed Plaintiff's Summary Judgment application with costs. Thereafter, the Plaintiff's solicitor filed and served a sealed copy of the case management notice and the said notice was fixed on 25th May 2010 pending parties filing Agreed facts, Issued to be Tried and respective Summary of Case. On 25th May 2010, the above matter was adjourned to 9th June 2010 for mention.

A13. Capital Commitments

The capital commitments as at 31st March 2010 were as follows:

	31/3/10 RM'000
Property, plant and equipment	
- Approved and contracted for	<u>13,596</u>

A14. Related Party Transactions

Significant transactions with the related party are as follows:

Purchase of goods from:	3 months ended 31/3/10 RM'000
Soon Seng Co (Penang) Sdn Bhd	
Enterprise in which substantial interest is owned by a substantial shareholder of the Company.	<u>23</u>

PART B:- ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

The Group reported a profit before tax of RM6.70 million on the revenue of RM192.12 million for the current quarter compared to a loss before tax of RM30.45 million on the revenue of RM130.09 million for the previous year corresponding quarter. The increase in revenue and profit are mainly attributed to higher steel demand and prices in line with the economic growth in both the local and international markets.

B2. Comparisons with immediate preceding quarter's results

The Group's revenue for the current quarter recorded a marginal increase of RM0.43 million to RM192.12 million in the current quarter due to increase in selling prices. The Group recorded a profit before tax of RM6.70 million, as compared to RM10.61 million recorded in the immediate preceding quarter, mainly due to lower margins from high material costs.

B3. Prospects

With the general increase of iron ore prices of more than 90% in April 2010, prices of steel products have also rapidly adjusted upwards to pair with the raw material costs increases. The increase of scrap prices during this period is 25%. The Company is expected to be able to price in any rise of raw material costs to its products thru the adjustment of selling prices.

However in the near term, the volume of sales could be influence by external global factors that could temporarily cause some degree of fluctuation of demand. Barring any unforeseen circumstances, the sales volumes for the coming quarter is expected to improve.

B4. Profit forecast

The disclosure requirements for explanatory notes are not applicable as no profit forecast was published.

B5. Taxation

i) Taxation comprises:

	Current Quarter Ended RM'000	Current Year To-date Ended RM'000
<u>Malaysian income tax</u>		
Current year's provision	<u>346</u>	<u>346</u>

ii) Reconciliation of income tax expenses

	Current Quarter Ended RM'000	Current Year To-date Ended RM'000
Profit before taxation	6,698	6,698
Taxation at tax rate of 25% (Income)/expenses not subject to tax	1,675 (60)	1,675 (60)
Utilization of unutilized reinvestment allowance	(1,275)	(1,275)
Others	6	6
	<u>346</u>	<u>346</u>

B6. Sale of unquoted investments and/or properties

There was no sale of any unquoted investments and/or properties during the current period under review.

B7. Purchase or disposal of quoted securities

There was no purchase or disposal of any quoted securities during the current period under review.

B8. (a) Status of corporate proposals

i) Private Placement

On 28 January 2010, OSK Investment Bank Berhad (“OSK”) had on behalf of the Company announced that the Company proposes to implement a private placement of up to 19.47 million new ordinary shares of RM0.50 each, representing not more than ten percent (10%) of the issued and paid-up share capital of the Company, to investors to be identified (“Proposed Private Placement”). The application was approved by Bursa Securities and the Ministry of International Trade and Industry on 3 February 2010 and 11 February 2010 respectively.

(b) Status of utilization of proceed raised

The Company has since allotted 16,120,000 new ordinary shares of RM0.50 each at issue prices ranging from RM1.015 to RM1.03 per placement share. The total proceed raised by the Company from the Proposed Private Placement have been utilised in the following manner.

	Total Proceeds RM'000	Utilised RM'000	Unutilised RM'000
Working capital	16,353	16,353	-
Listing expenses	90	90	-
	<u>16,443</u>	<u>16,443</u>	<u>-</u>

B9. Borrowings

	31/3/10
	RM'000
<u>Secured:-</u>	
Short term borrowings	200,189
Long term borrowings	64,498
	<hr/>
Total borrowings	264,687
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The above borrowings are denominated in the following currencies:

	'000	RM'000
Ringgit Malaysia	-	254,772
US Dollar	3,000	9,915
		<hr/>
		264,687
		<hr/>

B10. Off balance sheet financial instruments

The Company does not have any off balance sheet financial instruments as at the date of this quarterly report.

B11. Material litigations

The material litigations pending during the current period under review are as per disclosed in the followings:-

- (i) Claim of RM1.23 million for the balance of the purchase price for goods sold. The Company had filed a defence and counter claim for damages for RM3.73 million. The case was heard on 2nd May 2006 and on 19th September 2006 judgment was delivered. The claim of RM1.23 million was dismissed with cost and the court then gave judgement in favour of the Company on its counter claim for RM3.73 million together with cost and interest of 8% per annum from January 1999 until full payment. The total compensation sum up to December 2006, would be approximately RM6.0 million. The supplier had filed its notice of appeal in the Court of Appeal on the above judgment. On 15th May 2008, the Court of Appeal was handed down wherein the supplier's appeal was allowed and the High Court Judgment was set aside. The Company filed a Notice of Motion on 12th June 2008 to apply for leave to appeal and waiting for the date hearing at the Federal Court. In respect of the cost of the Court of Appeal and High Court proceedings, the supplier had filed its application for taxation of costs in the Court of Appeal. The hearing for the taxation of costs in the Court of Appeal was fixed on 19th June 2009 had been further adjourned to 4th September 2009 and on this date this matter had been further adjourned to 20th November 2009 for hearing. On 20th November 2009, the Court of Appeal taxed down the Supplier's claim for costs of RM400,036.44 to RM37,222.10 as the overall costs to the Supplier. The Company application for leave to appeal to Federal Court has been dismissed with costs of RM30,000 awarded to the supplier. The taxation of costs in the High Court is yet to be taxed.

- (ii) Arbitration for letter of demand against the Company for RM2.44 million is now commenced and the parties have filed their respective claims and counterclaims. The Company had a counterclaim in excess of the claim. The solicitors of the Company are of the opinion that the Company chances of success in the claim proper are good. The Company had further filed an application in court for security for cost and was fixed for hearing on 14th June 2007. The Arbitrator had also stayed the arbitration proceedings pending the outcome of that application for security for cost. On the 14th June 2007, the hearing proceeded and the decision was delivered on 21st June 2007. The Learned Judge allowed the application for security for costs of RM75,000. The Arbitrator had also stayed the arbitration proceedings pending the outcome of that application for security for cost.

The supplier had filed an appeal to the Court of Appeal against this order for security for cost. Both parties had filed leave applications to the Court of Appeal on 22nd April 2008 and leave was granted for both parties to file the Appeal within 14 days. On 30th April 2008 the Company had filed their Notice of Appeal. The Supplier had served their Record of Appeal and the Company have filed and served our Record of Appeal on 6th July 2009 and now awaiting a hearing to be fixed by the Court of Appeal for the said appeals.

- (iii) Claims of RM7.56 million for goods sold and delivered together with interest. The solicitors of the Company are of the opinion that such a claim would fail in court since there appears to be no agreements whatsoever, nor any prior demand or claim made by supplier regarding the interests and that so long as the supplier has accepted periodical payments by the Company unequivocally, they cannot now insist that interest are due to them. The supplier had filed their Statement of Claim to which the Company had filed a Statement of Defence and Counterclaim. The supplier had filed their Defence to the Counterclaim on 1st September 2006 and their Summary Judgment Application on 19th June 2007. The said application was fixed for mention on 26th August 2008 and on this date this matter had been further adjourned to 23rd September 2008 for hearing. This matter was fixed for mention before the Deputy Registrar on 21st January 2009 and on this date this matter had been further adjourned to 22nd April 2009 for hearing. On 22nd April 2009, the court had directed the parties file their respective submissions in court and fixed this matter for Decision on 13th August 2009. On 13th August 2009, the High Court had dismissed Plaintiff's Summary Judgment application with costs. Thereafter, the Plaintiff's solicitor filed and served a sealed copy of the case management notice and the said notice was fixed on 25th May 2010 pending parties filing Agreed facts, Issued to be Tried and respective Summary of Case. On 25th May 2010, the above matter was adjourned to 9th June 2010 for mention.
- (iv) Claim made against the Insurance Company for damages for the amount of approximately RM2.0 million to RM4.0 million and unliquidated damages caused to a transformer at the Company's Bukit Raja plant as a result of a fire. Writ of Summons was filed on 10th February 2004. The Insurance Company had entered appearance through their solicitors and filed a statement of defence on 5th April 2004. Thereafter, this matter came up for few mention dates for the parties to finalise the Common Bundle of Documents. This matter was fixed for case management on 24th April 2009 to enable parties to file in the list of witnesses and this date the court had fixed the matter for final case management on 7th September 2009. The court had also fixed the matter for trial on 28th September 2009. The matter proceeded for Trial on 30th September 2009 and 1st October 2009 where two of the Company expert witnesses have both completed giving evidence. The matter was fixed for Continued Trial on 11th and 12th January 2010 for the defendant's expert to give evidence. On 11th January 2010, both parties recorded Consent Judgment in Court for RM2.5 million as full and final settlement in favour of the Company.

B12. Dividend

A first and final single tier dividend of 1.0 sen per share had been proposed in respect of the financial year ended 31st December 2009 for the approval by the shareholders at the forthcoming Annual General Meeting of the Company.

B13. Earnings per share (“EPS”)

(a) *Basic earnings per share*

The basic earnings per share of the Company is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	Current Quarter Ended	Current Year To-date Ended
Profit attributable to ordinary shareholders (RM'000)	<u>6,352</u>	<u>6,352</u>
Weighted average number of ordinary shares in issue ('000)	<u>195,012</u>	<u>195,012</u>
Basic Earnings Per Share (sen)	<u><u>3.26</u></u>	<u><u>3.26</u></u>

(b) *Diluted earnings per share*

There is no dilution of any shares during the period. Accordingly, the diluted earnings per share calculation is the same as that of Basic Earnings per Share.

By order of the Board