





WEIDA (M) BHD

(504747-W)

(Incorporated in Malaysia under the Companies Act,1965)

PUBLIC ISSUE OF 6,100,000 NEW

ORDINARY SHARES OF RM1.00 EACH

AT AN ISSUE PRICE OF RM2.15 PER ORDINARY SHARE

PAYABLE IN FULL ON APPLICATION

IN CONJUNCTION WITH THE LISTING

OF WEIDA (M) BHD

ON THE SECOND BOARD OF

THE KUALA LUMPUR STOCK EXCHANGE



Adviser & Managing Underwriter



Arab-Malaysian Merchant Bank Berhad

(51747-W) (Listed) Merchant Bank

(A Member of the Arab-Malaysian Banking Group)

This Prospectus is dated 26 December 2000

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 14 HEREOF

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF WEIDA AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

THE ADVISER AND MANAGING UNDERWRITER ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND ARE SATISFIED THAT ANY PROFIT FORECAST OF WEIDA (FOR WHICH THE DIRECTORS OF WEIDA ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE APPROVAL OF THE SECURITIES COMMISSION ("SC") WHICH WAS OBTAINED ON 24 JULY 2000, SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE OF 6,100,000 NEW ORDINARY SHARES OF RM1.00 EACH IN WEIDA (M) BHD ("WEIDA") AT AN ISSUE PRICE OF RM2.15 PER SHARE ("PUBLIC ISSUE") IN CONJUNCTION WITH THE LISTING AND QUOTATION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WEIDA ON THE SECOND BOARD OF THE KUALA LUMPUR STOCK EXCHANGE ("KLSE"). THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE CORPORATION AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

THE VALUATION OF THE PROPERTIES APPROVED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SC, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT PROPERTIES FOR ANY OTHER PURPOSES.

THE KLSE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF THE KLSE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF WEIDA OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE REGISTRAR OF COMPANIES, MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicate timing of events leading up to the listing of and quotation for the Company's entire enlarged issue and paid-up share capital on the Second Board of the Kuala Lumpur Stock Exchange is set out below:-

Event	Date
Opening of Public Issue	26 December 2000
Closing of Public Issue	18 January 2001*
	Tentative date
Balloting of applications	January 2001
Despatch of Notice of Allotment to successful applicants	February 2001
Listing of the entire enlarged issued and paid-up share capital of Weida on the Second Board of the Kuala Lumpur Stock Exchange	February 2001

* *or such period or periods as the Directors of Weida in their absolute discretion may decide*

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall have the following meanings:

Acquisitions	:	Acquisitions of WIISB, WRSB, WHSB, Saruwas, WETSB, WMSB and Weidaya by Weida
Acquisition of WHSB	:	Acquisition of 100% of the issued and paid up share capital of WHSB on 23 October 2000 comprising 510,000 Shares for a total purchase consideration of RM553,367 to be satisfied by the issuance of 381,632 new Weida Shares credited as fully paid at the issue price of approximately RM1.45 per Share
Acquisition of WIISB	:	Acquisition of 100% of the issued and paid up share capital of WIISB on 23 October 2000 comprising 3,000,000 Shares for a total purchase consideration of RM21,471,768 to be satisfied by the issuance of 14,808,116 new Weida Shares credited as fully paid at the issue price of approximately RM1.45 per Share
Acquisition of WRSB	:	Acquisition of 100% of the issued and paid up share capital of WRSB on 23 October 2000 comprising 2,500,000 Shares for a total purchase consideration of RM11,314,780 to be satisfied by the issuance of 7,803,297 new Weida Shares credited as fully paid at the issue price of approximately RM1.45 per Share
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
AISB	:	Assar Industri Sdn Bhd (394503-P)
Allotment of Shares	:	Weida has on 23 October 2000, allotted 1,199,998 new Shares at an issue price of RM1.00 per share to its existing shareholders
Arab- Malaysian	:	Arab-Malaysian Merchant Bank Berhad (23742-V)
ASSAR	:	Amanah Saham Sarawak
ATM	:	Autoteller Machine
CDS	:	Central Depository System
EI	:	Extraordinary Item
EPS	:	Earnings per share
FIC	:	Foreign Investment Committee
HDPE	:	High Density Polyethylene
IPO	:	Initial public offering
Issue or Public Issue	:	Public Issue of 6,100,000 new ordinary shares in Weida at the issue price of RM2.15 per Share subject to the terms and conditions of this Prospectus

DEFINITIONS (Cont'd)

Issue Shares	:	The 6,100,000 new Shares in the capital of the Company subject to the Issue
Issue Price	:	RM2.15 per ordinary share for each Issue Share
KLSE or Exchange	:	Kuala Lumpur Stock Exchange
LAKMNS	:	Lembaga Amanah Kebajikan Masjid Negeri Sarawak
LCDA	:	Land Custody and Development Authority
Listing	:	Listing of and quotation for the entire enlarged issued and paid-up share capital of Weida comprising 40,000,000 Shares on the Second Board of the KLSE
MCD	:	Malaysian Central Depository Sdn Bhd (165570-W)
MI	:	Minority Interests
MIH	:	Malaysian Issuing House Sdn Bhd (258345-X)
MITI	:	Ministry of International Trade and Industry
NTA	:	Net Tangible Assets
PE multiple	:	Price Earnings Multiple
PAT	:	Profit After Tax
PBT	:	Profit Before Tax
RM and sen	:	Ringgit Malaysia and sen respectively
Rights Issue	:	A rights issue undertaken by Weida on 25 October 2000 of 9,706,955 new Shares at an issue price of RM1.05 per share on the basis of approximately 40 new shares for every 100 existing Shares held upon completion of the Acquisitions
R&D	:	Research and Development
Saruwas	:	Saruwas Sdn Bhd (358646-D)
SEDC	:	Sarawak Economic Development Corporation
SIRIM	:	Standards and Industrial Research Institute of Malaysia
SC	:	Securities Commission
Share(s)	:	Ordinary share(s) of RM1.00 each
USD	:	United States Dollars
Weida or the Company	:	Weida (M) Bhd (504747-W)

DEFINITIONS (Cont'd)

Weida Group or the Group	:	Weida and its subsidiaries, namely, WIISB, WRSB, WHSB, Saruwas, WETSB, WMSB and Weidaya collectively
Weidaya	:	Weidaya Sdn Bhd (396558-M)
WETSB	:	Weida Environmental Technology Sdn Bhd (401849-D)
WIISB	:	Weida Integrated Industries Sdn Bhd (168925-U)
WHSB	:	Weida Holdings Sdn Bhd (394352-V)
WMSB	:	Weida Marketing Sdn Bhd (424868-V)
WRSB	:	Weida Resources Sdn Bhd (242580-H)
YS	:	Yayasan Sarawak

TABLE OF CONTENTS

	Page
CORPORATE DIRECTORY	1
1. SUMMARY INFORMATION	4
1.1 History and Business	4
1.2 Financial Statistics for the Past Five (5) Years Ended 31 March 2000 and Three (3) Month Period Ended 30 June 2000	5
1.3 Summary of Proforma Consolidated Balance Sheets As At 30 June 2000	7
1.4 Principal Statistics Relating to the Public Issue	8
1.5 Utilisation of Proceeds from the Allotment of Shares, Rights Issue and Public Issue	10
1.6 Information on Directors, Promoters, Substantial Shareholders and Key Management	11
1.6.1 Directors	
1.6.2 Promoters	
1.6.3 Substantial Shareholders	
1.6.4 Key Management	
1.7 Material Litigations, Contingent Liabilities and Capital Commitments	12
1.8 Summary of Material Risk Factors	13
2. RISK FACTORS	14
3. PARTICULARS OF THE PUBLIC ISSUE	16
3.1 Preliminary	16
3.2 Timing of Events	16
3.3 Share Capital	16
3.4 Class of Shares	17
3.5 Purposes of the Public Issue	17
3.6 Details of the Public Issue	17
3.7 Basis of arriving at the Public Issue Price	18
3.8 Utilisation of Proceeds from the Allotment of Shares, Public Issue and Rights Issue	18
3.9 Brokerage and Underwriting Commission	20
4. APPROVALS AND CONDITIONS	21
4.1 Conditions on Approvals	21
4.2 Moratorium on Shares	22

TABLE OF CONTENTS (Cont'd)

	Page
5. INDUSTRY OVERVIEW	23
5.1 The Malaysian Economy	23
5.2 The Plastic Industry	23
5.3 The Manufacturing Sector	24
5.4 The Construction/ Infrastructure Sector	25
5.5 The Agriculture Sector	25
5.6 Outlook	26
5.7 Industry Players and Competition	26
5.8 Relevant Laws and Regulations Governing the Industries	27
5.9 Demand and Supply Condition	27
5.10 Substitute Products	27
5.11 Industry's Reliance and Vulnerability to Imports	28
6. FUTURE PROSPECTS AND PLANS OF THE WEIDA GROUP	29
6.1 Future Prospects	29
6.2 Future Plans	30
7. INFORMATION ON THE WEIDA GROUP	32
7.1 History	32
7.2 Restructuring	33
7.3 Share Capital and Changes in Share Capital	35
7.4 Business Overview	35
7.4.1 Principal Products and Services	
7.4.2 Trademarks and approvals	
7.4.3 Manufacturing Facilities	
7.4.4 Production Processes	
7.4.5 Production Capacities and Output	
7.4.6 Target Markets	
7.4.7 Marketing and Distribution	
7.4.8 Market Coverage	
7.4.9 Major Customers	
7.4.10 Location of Operations	
7.4.11 Research and Development	
7.4.12 Quality Control Systems	
7.4.13 Source and Availability of Raw Materials	
7.4.14 Suppliers	
7.5 Employees	43
7.6 Contribution to Economic Growth	43
7.7 Interruption to Operations	43
7.8 Summary of Landed Properties	44
7.9 Information on the Subsidiary Companies	45
7.9.1 WISB	
7.9.2 WRSB	
7.9.3 WHSB	
7.9.4 WMSB	
7.9.5 Saruwas	
7.9.6 WETSB	
7.9.7 Weidaya	

TABLE OF CONTENTS (Cont'd)

	Page
8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT	56
8.1 Information on Promoters and Substantial Shareholders	56
8.1.1 Substantial Shareholders	
8.1.2 Promoters	
8.1.3 Changes in Promoters and Substantial Shareholders' Shareholdings in the Company for the Past Three (3) Years	
8.2 Directors	58
8.3 Key Management	63
8.4 Declarations from Directors and Key Management	67
8.5 Audit Committee	67
8.6 Family Relationship	67
9. CONFLICT OF INTEREST/ RELATED PARTIES TRANSACTION	68
9.1 Declaration of the Advisors	68
9.2 Related Parties Transaction	68
9.3 Interest in Similar Business	70
10. FINANCIAL INFORMATION	72
10.1 Consolidated Profit Records	72
10.2 Segmental Analysis of Consolidated Revenue and PBT	74
10.3 Working Capital, Borrowings and Contingent Liabilities	76
10.3.1 Working Capital	
10.3.2 Borrowings	
10.3.3 Contingent Liabilities and Capital Commitments	
10.4 Consolidated Profit Forecast and Assumptions	77
10.5 Auditors' Letter on the Consolidated Profit Forecast	80
10.6 Dividend Forecast and Policy	81
10.7 Proforma Consolidated Balance Sheets As At 30 June 2000	82
10.8 Auditors' Letter on the Proforma Consolidated Balance Sheets	87
11. DIRECTORS' REPORT	88
12. VALUATION CERTIFICATE	89
13. ACCOUNTANT'S REPORT	95

TABLE OF CONTENTS (Cont'd)

	Page
14. STATUTORY AND GENERAL INFORMATION	176
14.1 Share Capital	176
14.2 Articles of Association	176
14.3 Directors and Substantial Shareholders	180
14.4 General	182
14.5 Material Contracts	184
14.6 Public Take-Overs	185
14.7 Material Litigation	185
14.8 Consents	185
14.9 Documents for Inspection	185
14.10 Responsibility	186
15. PROCEDURES FOR APPLICATION AND ACCEPTANCE	187
15.1 Opening and Closing of Application Lists	187
15.2 Procedure for Application	187
15.3 Applications and Acceptances	188
15.4 CDS Accounts	189
15.5 Notice of Allotment	189
15.6 Formalising of CDS Accounts	190
15.7 Terms and Conditions of Application Using Application Forms	190
15.8 Terms and Conditions of Electronic Share Applications	192
15.9 Steps for Electronic Application through a Participating Financial Institution's ATM	196
15.10 List of Authorised Depository Agents	197