

---

**6. FUTURE PROSPECTS AND PLANS OF THE WEIDA GROUP (CONT'D)**

---

**(b) Expansion of Production Facility, Capacity and Factories**

In order to cater for the expected increase in sales in Peninsula Malaysia and in Sabah, the Group is looking at increasing its production capacity and upgrading its factories in Nilai and Kota Kinabalu.

Currently, the Kuching factory's in-house mould design and fabrication section is responsible for all designs and fabrication works. Weida plans to set up another in-house mould design and fabrication section in its Nilai plant in 2001. This will entail investment in equipment and tools and recruitment of experienced personnel. An in-house mould design and fabrication facility will enable Weida to respond faster to customers' need and allow better control and management over the overall production process. The in-house facility also promotes research and development in new products and new production methods.

In view of the rapid expansion and potential business growth in Sabah, Weida intends to enhance the existing factory facilities in the Kota Kinabalu plant by building another office block to house the existing administrative and technical staff. It is envisaged that construction of the new office block will commence in 2001.

**(c) Active Participation into Turnkey Contracting**

As mentioned in Section 6.1 (d), Weida Group uses integrated total solution approach in marketing the Group's products. As such, the Group will actively solicit for turnkey projects which enable the Group to provide its client with a complete package, that includes feasibility study, designs, manufacturing, training and consultancy on implementation, which enable the Group to serve its clients better, as well as enhances the profitability of the Group.

**(d) Development of New Products, Increase Product Range and Create New Markets**

Innovation is one of Weida's key strengths. The Group will continue to develop new products and widen acceptances of these products. Among the new HDPE products currently undergoing research and development are specialised storage tanks, double-wall corrugated pipes and playground equipment. This will expand the product coverage of Weida to include sewer lines, telecommunications and energy cable protection, specialized liquid storage, recreational facilities and others.

Aquaculture fishery production has increased from 52,300 tonnes in 1990 to 107,800 tonnes in 1997 and is expected to increase to 312,000 tonnes by year 2000 and 468,000 tonnes by year 2005.

*(Source : The Second Industrial Master Plan 1996-2005; Annual Fisheries Statistics, Department of Fisheries, Malaysia)*

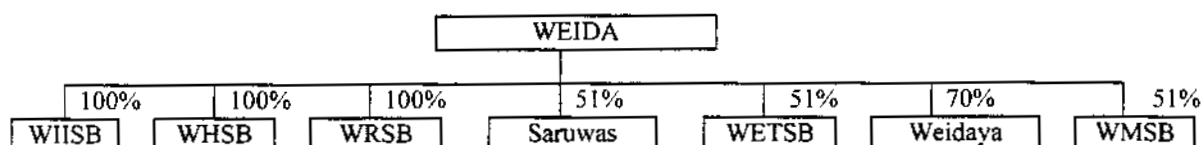
In order to capitalise on the increase in the local production of fish, Weida is expanding its range of products for use in the agriculture and aquaculture sectors, which include inland and open sea cages, aerators and knapsack sprayers.

## 7. INFORMATION ON THE WEIDA GROUP

### 7.1 History

Weida was incorporated in Malaysia as a public company under the Companies Act, 1965 on 3 February 2000 as Weida (M) Bhd.

Weida is a company formed for the purpose of carrying out the restructuring undertaken pursuant to the listing exercise. It is an investment holding company with its subsidiaries principally involved in the manufacturing, marketing and sales of HDPE products and the provision of turnkey and project management services for water, sewerage systems and aquaculture implements. The corporate structure of the Weida Group after the restructuring is as follows:-



The Weida Group is one of the pioneer manufacturers of HDPE storage tanks in Sabah and Sarawak. The Group commenced operations in Sarawak in 1988 as a manufacturer and supplier of HDPE products. Following the infrastructure development boom in Sabah and Sarawak in the mid-80's, there was growing demand for storage tanks and sewerage systems in the region. In 1995, the Group set up a second factory in Sabah and subsequently in 1997, it built another factory in Nilai, Peninsula Malaysia. Accordingly, the Group expanded its markets to Sabah and Peninsula Malaysia vide the appointments of agencies and trading outlets in strategic places throughout the nation. Apart from geographical and market expansion, its manufacturing operations has also expanded to include synergistically related products and diversified into the provision of installation services and turnkey contracting services for various aspects of water supply, sewage treatment and aquaculture farming. In 1998, the Group ventured into the manufacture of aquaculture cages, farm implements and many others.

Today, Weida Group is a fully integrated group providing a diversified range of HDPE products and one-stop services to residential, commercial and industrial consumers and government agencies in water and sewage treatment systems. The principal activities of its subsidiary companies are as follow:-

Subsidiaries	Equity interest	Principal activities
WIISB	100%	Manufacturing of HDPE engineering products
WRSB	100%	Trading of HDPE engineering products, fittings and other engineering products
WHSB	100%	Investment holding and construction of water supply and other specialised systems involving the use of HDPE products
Saruwas	51%	Provision of consultancy services including survey, design and project management services
WMSB	51%	Trading of HDPE engineering products and the provision of specialised installation services in Peninsula Malaysia.
WETSB	51%	Marketing and sales of sewage treatment package manufactured by WIISB under the brand name of POLYPASS
Weidaya	70%	Trading of HDPE septic tanks and provision of specialised installation services

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

### 7.2 Restructuring

In conjunction with, and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of Weida on the Second Board of the KLSE, the Company undertook a restructuring scheme, which involved the following:-

#### (i) Acquisitions of Saruwas, WETSB, WMSB and Weidaya

- (a) Acquisition of 102,000 Shares representing 51% of the issued and paid-up share capital of Saruwas from WHSB for a total cash consideration of RM102,000. The cash consideration was based on WHSB's cost of investment in Saruwas.
- (b) Acquisition of 51,000 Shares representing 51% of the issued and paid-up share capital of WETSB from WHSB for a total cash consideration of RM51,000. The cash consideration was based on WHSB's cost of investment in WETSB.
- (c) Acquisition of 255,000 Shares representing 51% of the issued and paid-up share capital of WMSB from WHSB for a total cash consideration of RM255,000. The cash consideration was based on WHSB's cost of investment in WMSB.
- (d) Acquisition of 350,000 Shares representing 70% of the issued and paid-up share capital of Weidaya from WHSB for a total cash consideration of RM350,000. The cash consideration was based on WHSB's cost of investment in Weidaya.

The conditional sale and purchase agreements were signed on 23 October 2000 and the above acquisitions were completed on 23 October 2000.

#### (ii) Acquisition of WIISB

Acquisition of the entire issued and paid-up share capital of WIISB comprising 3,000,000 Shares for a purchase consideration of RM21,471,768 based on the NTA of WIISB as at 31 March 1999 of RM14,331,670 after adjusting for a net revaluation surplus of RM6,016,493 to be satisfied by the issuance of 14,808,116 new Shares at an issue price of approximately RM1.45 per Share as follows:-

Vendor	No. of WIISB Shares sold	No. of Weida Shares issued
Weida Management Sdn Bhd	1,140,000	5,627,084
AISB	900,000	4,442,435
Zainal Abidin bin Ahmad	600,000	2,961,623
Tiara Senja Sdn Bhd	360,000	1,776,974
<b>Total</b>	<b>3,000,000</b>	<b>14,808,116</b>

The conditional sale and purchase agreement was signed on 23 October 2000 and the Acquisition of WIISB was completed on 23 October 2000.

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**


---

**(iii) Acquisition of WHSB**

Acquisition of the entire issued and paid-up share capital of WHSB comprising 510,000 Shares for a purchase consideration of RM553,367 based on the NTA value of WHSB as at 31 March 1999 to be satisfied by the issuance of 381,632 new Shares at an issue price of approximately RM1.45 per Share as follows:-

Vendor	No. of WHSB Shares sold	No. of Weida Shares issued
Weida Management Sdn Bhd	193,800	145,020
AISB	153,000	114,490
Zainal Abidin bin Ahmad	102,000	76,326
Tiara Senja Sdn Bhd	61,200	45,796
<b>Total</b>	<b>510,000</b>	<b>381,632</b>

The conditional sale and purchase agreement was signed on 23 October 2000 and the Acquisition of WHSB was completed on 23 October 2000.

**(iv) Acquisition of WRSB**

Acquisition of the entire issued and paid-up share capital of WRSB comprising 2,500,000 Shares for a purchase consideration of RM11,314,780 based on the audited NTA value of WRSB as at 30 June 1999 to be satisfied by the issuance of 7,803,297 new Shares at an issue price of approximately RM1.45 per Share as follows:-

Vendor	No. of WRSB Shares sold	No. of Weida Shares issued
Weida Management Sdn Bhd	950,000	2,965,253
AISB	750,000	2,340,989
Zainal Abidin bin Ahmad	500,000	1,560,659
Tiara Senja Sdn Bhd	300,000	936,396
<b>Total</b>	<b>2,500,000</b>	<b>7,803,297</b>

The conditional sale and purchase agreement was signed on 23 October 2000 and the Acquisition of WRSB was completed on 23 October 2000

**(v) Rights Issue**

Upon the completion of the acquisitions of WIISB, WHSB, WRSB, WMSB, WETSB, Saruwas and Weidaya, Weida implemented a rights issue 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. The Rights Issue was completed on 25 October 2000.

The new Shares issued pursuant to the Acquisitions and Rights Issue rank pari passu in all respects with the then existing Shares of Weida, save and except that they were not entitled to any dividends, rights, allotments or other distributions declared prior to the allotment of the new ordinary shares.

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

### 7.3 Share Capital and Changes in Share Capital

The present authorised and issued and the paid-up share capital of Weida are RM100,000,000 and RM33,900,000 respectively comprising 100,000,000 and 33,900,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Weida since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
3.2.2000	2	1.00	Cash	2
23.10.2000	1,199,998	1.00	Cash	1,200,000
23.10.2000	22,993,045	1.00	Issued pursuant to the Acquisition of WIISB, WRSB and WHSB	24,193,045
25.10.2000	9,706,955	1.00	Rights issue at RM1.05 per share	33,900,000

### 7.4 Business Overview

#### 7.4.1 Principal Products and Services

##### (a) Product Range

The range of HDPE products manufactured by the Weida Group include the following:-

Sector	Products	No. of years in the market	Contribution to turnover for financial year ended 31 March 2000 (%)
<b>Water Products:-</b>	<b>Sector</b> Water tanks, specialized storage tanks, HDPE water pipes, subsoil drainage pipes and culverts.	1-11	50
<b>Sewerage Products:-</b>	<b>Sector</b> Prefabricated sewage treatment package, septic tanks, rural sanitation system, HDPE toilet units and HDPE toilet floor slab.	2-11	25
<b>Agriculture Products:-</b>	<b>Sector</b> Inland aquaculture cage systems, open sea aquaculture cage systems, aerators, knapsack sprayers and feed troughs.	2	6
<b>Other Products:-</b>	Bins - waste bins, public garbage bins, bulk bins, grease trap/sullage traps, traffic furniture, flower pots/ planter boxes, floating platforms, pontoons, walkways and jetties.	1-4	2
<b>Engineering and Works Services</b>	Provides engineering and works services while incorporating Weida's products into the designs. It conducts feasibility studies, surveys, investigations and design, engineering calculation and construction drawing and project management. The provision of these engineering services makes Weida a one-stop service provider in water supply, sewerage systems and aquaculture farming.	3	17

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

In future, the Directors anticipates the contribution to turnover from the engineering and works services sector to maintain at the same level, while the contribution from agriculture sector products is expected to increase. As for the water and sewerage sectors, their contribution is expected to reduce slightly.

### 7.4.2 Trademarks and Approvals

Product type	Trademark (No.)	Design Registration No.	Class and Registration Date	Approving Authority	License (No.)
Water tanks	POLYSTOR (95009186)	-	CLASS 17 dated 6 September 1995	SIRIM	MS 1225:1000 (PW003001) Malaysian Standard: Specification for cold water storage and feed and expansion cisterns (polyolefin or olefin copolymer) and cistern lids
Septic tanks	POLYSEPT (95009185)	-	CLASS 20 dated 6 September 1995	SIRIM	CAN/CSA-B66-M90 (PW003004) National Standard of Canada: Prefabricated septic tanks and sewerage holding tanks
Aquaculture cages	WEIDACAGE	2084011	CLASS LDC(T) CI1.30.02 dated 9 September 1999	Pending approval	-
Sewage treatment system	POLYPASS	-	-	Jabatan Perkidmatan Pembetulan (approval for models POLYPASS 10PE to 2000PE	-
HDPE pipes	WEIDALINE	-	-	Pending approval	MS 1058:1994 (PW003003) Malaysian Standard: Specification for Polyethylene pipes for water supply
Refuse bins	POLYSTER	-	-	Pending approval	-

### 7.4.3 Manufacturing Facilities

Weida has three (3) manufacturing factories in Kuching, Kota Kinabalu and Nilai, which are capable of manufacturing a wide range of HDPE products. The logistic advantage enables the company to tap into the vast business potentials these areas could offer, and at the same time lower transportation cost and reduce delivery time of products to customers in these areas. In addition, the Group occupies a total land area of twenty four (24) acres, which is advantageous for its future expansion. Products are manufactured using three methods, i.e. roto moulding, extrusion moulding and blow moulding.

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**

---

**7.4.4 Production Processes****(a) Roto Moulding**

The manufacturing process starts with product design where ideas of the new product are drawn via computer software to analyse for its dimensions on critical stress and strain areas. Once the designs are completed, a mould will be designed based on the product requirements. The blue print of the mould is then transferred to the mould fabrication workshop for fabrication.

The raw materials, HDPE resins are compounded with appropriate additives to meet the performance requirements. During the moulding stage, the mould or cavity is filled with resins and then secured together by a series of bolts or clamps. Subsequently, the charged mould is placed in an oven where it is heated and simultaneously rotated around two (2) axis at right angles to each other. During the heating/ rotation cycle, the resin melts, fuses and then takes on the shape of the mould which will then be sent to the cooling chamber. After, the mould is cooled down, the finished product is removed from the mould.

**(b) Extrusion Moulding**

Extrusion moulding method is used to manufacture HDPE pipes, namely the smooth HDPE pipes and corrugated drainage pipes. This is a continuous process, the extruder, which is the heart of every extrusion system, converts the HDPE resin into a homogeneous melt. The molten resin is pulled through a die at the necessary temperature and pressure and then it is cooled and vacuum-calibrated to the required shapes and dimensions. The finished product is then cut to the required length at the end of the production line.

**(c) Blow Moulding**

The blow moulding process, used to produce hollow products in large volumes, is also an extrusion process but it incorporates a secondary blowing process. In the production of a blow moulding part, the extruder extrudes a required amount of molten resin, known as the parison. The part mould is clamped around the parison and compressed air is blown into the parison. The parison expands like a balloon in the mould and takes the shape of the mould. After the parison cools, the mould is opened and the finished product is detached from the mould.

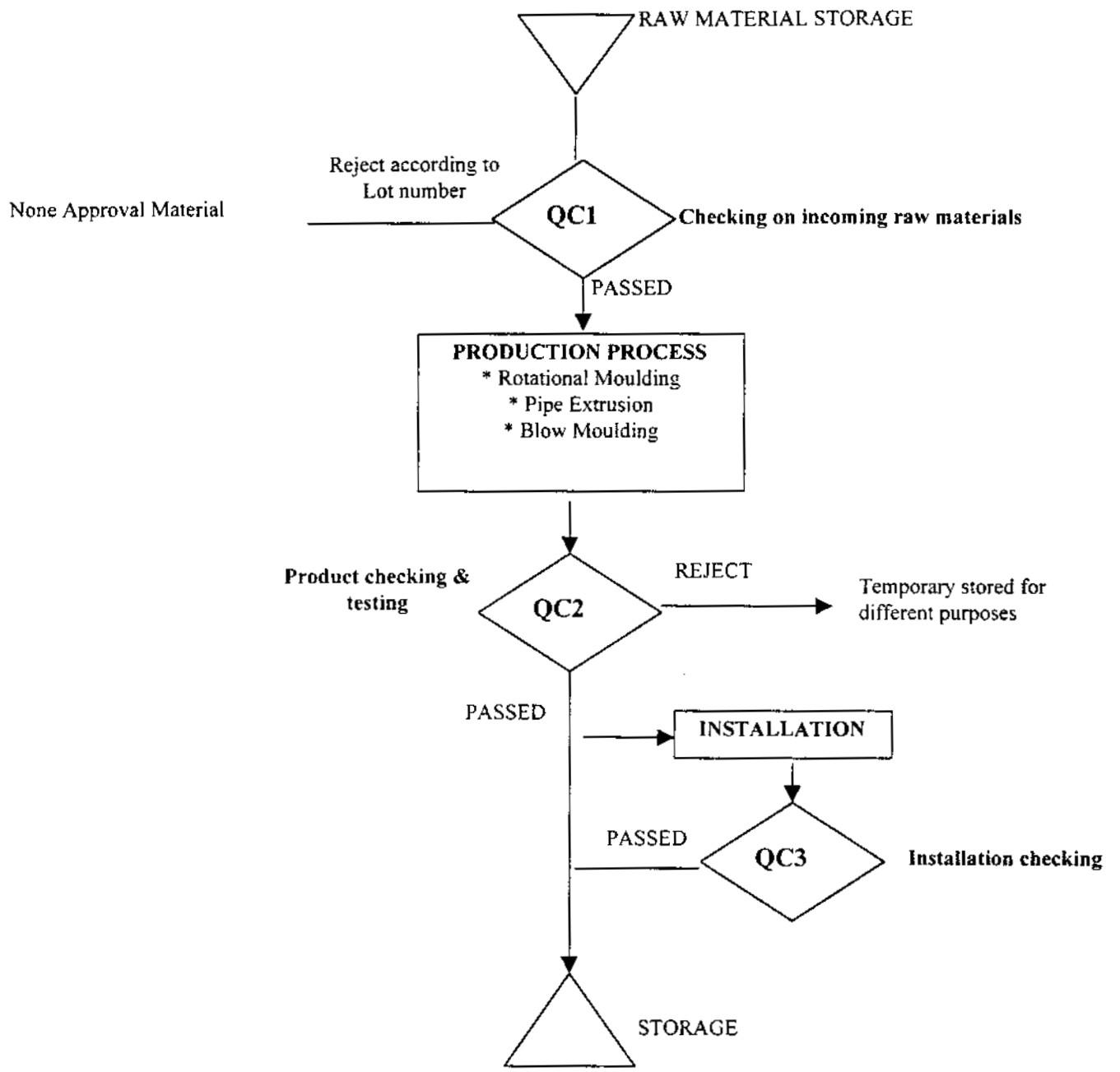
---

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**

The following Flow Chart summarises the production processes:-



*QC: Quality Control*



---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**

---

**7.4.5 Production Capacities and Output**

As at 15 December 2000, the maximum production capacity and output per annum for the Group is 10,500MT and 5,700MT respectively.

**7.4.6 Target Markets**

In 2000, the highest contribution to revenue was from the infrastructure sector, which was mainly attributable to the sales of water and sewage related products such as water storage tanks, sewage treatment system and piping system. Weida's products are also widely used in industrial applications. In addition, Weida Group has also provided water tanks, sewage tanks and piping systems to the property sector for low cost, medium cost and high-end housing and commercial developments from both private and government sectors. As at 31 March 2000, the revenue generated from the government and private sectors are 58% and 42% respectively. Presently, the Group supplies its products mainly to its local customers, the contribution from its overseas clientele is still small. In future, the Group anticipates its overseas, as well as agriculture and works sector's income contributions to improve.

**7.4.7 Marketing and Distribution**

In Weida's sales and marketing office, there are approximately 80 personnel (including a team of strong supporting staff) who are actively involved in the marketing of the Group's products to new and existing customers. The sales team is also responsible for carrying out market surveys for identification of potential products, analysis of the competitive environment and establishment of distribution network. In addition, they conduct seminars and tradeshows to create awareness of Weida's existing products and to promote new products, training courses on the use of the products and provision of other after sales services. The Group's sales offices are located in both in East and Peninsula Malaysia to enable the team to service customers throughout Malaysia.

Weida either sells directly to end-users or through agents, namely, distributors, hardware stores, contractors, plumbers, developers and quasi government agencies. Currently, the Group has approximately 75 agents throughout Malaysia.

Besides marketing its own products, the Group also distribute third party products as agent to complement its own range of products. These are welding equipment, pipe fittings and gabions. However, these represent a very small portion (approximately 2%) of the Group's turnover. These third party products are not made on consignment basis and not all distributorship are exclusive.

**7.4.8 Market Coverage**

According to the Industrial and Prospects Assessment of storage tank, septic tank and related industries prepared by ACNielsen Survey Research Malaysia in 1997, Weida Group is the market leader in Sabah and Sarawak with approximately 70% to 80% market share for water storage tanks. The directors of Weida are of the opinion that the Group's position today has not changed substantially from the position in 1997.

More specifically, based on the same survey, the market share of Weida in its product range for water supply system (water and industrial tanks) in Sabah and Sarawak were around 85% and 80% respectively while its sewage system (septic tank and sewage treatment system) has approximately 60% market share in both Sabah and Sarawak.

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

In Peninsula Malaysia, Weida Group is a relatively new entrant and hence no formal survey has been done on its market share. However, Weida Group is confident that its strengths in product quality, diversity and management expertise will enable the Group to position itself amongst the top manufacturers in Peninsula Malaysia.

### 7.4.9 Major Customers

As at 15 December 2000, the Group has approximately 600 customers. Over the years, Weida has built up a strong brand and marketing network across Malaysia. This has brought about a large clientele base (none of the customers contribute to more than 10% of the Group's revenue), thus minimizing the risk of over dependent on certain customers. On average, the years of relationship between these customers and the Group is six (6) years.

### 7.4.10 Location of Operations

Weida's head office is located at 187, Lorong Datuk Abang Abdul Rahim 7, 93450 Kuching, Sarawak and the location of the factories are as follow:-

Factory	Address	Land area (Sq. Metre)
Kuching	Lot 472, Block 8, MTL D, Sejingkat Industrial Park, Jalan Bako, Petra Jaya, P.O. Box 1807, 93736 Kuching	70,380.0
Kota Kinabalu	Lot 57, SEDCO Light, Industrial Estate, Lok Kawi, P.O. Box 21276, 88770 Kota Kinabalu	8,704.4
Nilai	Lot 109, Jalan AM2, Arab-Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan	12,311.5

### 7.4.11 Research and Development

The Company is geared to maintain its competitive edge and market leadership with active R&D.

The R&D Department's policy and directions are:-

1. Improvement in process, materials and production technologies;
2. Development of new innovative products;
3. Product improvements; and
4. New material and new process development.

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**


---

The Group has a well-structured in-house R&D department located in the Kuching factory, which focuses on manufacturing process development, new product development and existing product improvements. The R&D department is staffed with senior technical personnel with extensive experience in designing, manufacturing and engineering processes. It has three (3) divisions, namely, Product and Mould, Process and Quality Assurance. The department uses advance computer software programs to aid in its research, design analysis and development activities.

The department has a quantitative target of developing at least one new product each year. Among the new HDPE products developed by the Company are the aquaculture cage systems, culverts, prefabricated sewage treatment plant, polyfloats, playground equipment and prefabricated toilets.

Current research efforts are concentrated on improvements in material strength as well as its properties, optimisation of product configurations and profiles, and developing multi-layer sandwich construction techniques. The short and medium term programme for the next five (5) years is directed mainly towards polyethylene materials and its enhancement. For the long term, research efforts are expected to cover other materials for the manufacture of products and enhancement to polyethylene construction.

↳ **Personnel**

The R&D Department is staffed by five (5) senior technical personnel with extensive engineering, manufacturing and technical experience. Heading the department is its Technical Director, Ir. Lai Lim Hon, a professional engineer with about twenty-four (24) years experience in the field of civil engineering. The department has three (3) divisions, namely, product and mould design, process design and quality assurance and production divisions. Each of these divisions is headed by a qualified and experienced graduate professional.

↳ **Facilities**

The department is equipped with the latest equipment and computer aided facilities for R&D. The facilities are continually updated and expanded to keep pace with the R&D requirements.

The R&D Department is fully computerized and makes full use of computer software such as Computer-Aided Design and Drafting and 3-Dimension Modeling, Finite Element Analysis in its research, design and development works.

**7.4.12 Quality Control Systems**

Weida Group's manufacturing process is strictly governed by a quality control system. Every stage in the process is guided by its own set of quality control procedures and work instructions. The products manufactured by Weida are inspected by an internal team of quality control inspectors. Some products, namely water tanks and septic tanks have been approved by SIRIM (as mentioned in Section 7.4.2) thus required to be inspected by quality system auditors from SIRIM every six (6) months. The purpose of the inspection by SIRIM is to ensure that these products comply with relevant standards and technical specifications. In addition, Weida's Sabah factory has successfully obtained MS ISO9002 certification awarded by SIRIM. The Group continues to pursue high quality standard in all its production with the ultimate goal of getting all its branches ISO certified.

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

### 7.4.13 Source and Availability of Raw Materials

The basic raw material used for the manufacturing of HDPE products is almost 98% HDPE resins and 2% additives, which are extracted from petroleum and are readily available from the major petrol-chemical companies. Weida purchases the resins from Malaysia and abroad. As at 31 March 2000, the Group bought 75% of its resins from overseas and 25% locally. The other raw materials, such as, additives, are available locally as well as overseas. As the requirements for the raw materials used by Weida are minimal and easily available, Weida purchases these materials as and when required.

### 7.4.14 Suppliers

The Group's suppliers are essentially suppliers of raw materials such as HDPE resins. These resins are readily available locally as well as overseas. Locally, the Group buys its resins from Polyethylene Malaysia Sdn Bhd, a subsidiary of Petronas-Petroleum National Bhd. Imported resins are purchased mainly from countries such as Australia, Canada, Korea and Europe. Weida Group acquires its raw materials from a wide range of suppliers (approximately 15) hence is not overly-dependent on one particular supplier. As at 31 March 2000, the Group's two (2) major suppliers (contributed to more than 10% of the average annual purchase) are as follows: -

Suppliers	Average annual purchase (% to total purchase for the year ended 31 March 2000)	Length of relationship (no. of years to 31 March 2000)
1. Polyethylene Malaysia Sdn Bhd	12	5
2. Nova Chemical (International) S.A.	12	7

Presently, although Weida Group purchases most of its raw materials from foreign suppliers (75% of total raw materials purchased for the financial year ended 31 March 2000), the plastic industry in Malaysia is becoming increasingly sophisticated, as such, more of the raw materials may be available locally in future.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**


---

**7.5 Employees**

Currently, the Group employed approximately 350 employees. The management of the Group enjoys a good relationship with the employees. The employees do not belong to any trade union. The categories of employees and average number of years of service with the Group are tabulated below:-

Category	No. of employees	Average no. of years of service
Managers / Engineers	15	3 - 12
Factory supervisors	5	3 - 9
Factory executives	10	1 - 12
Sales & Office executives	29	1 - 12
Office and factory administrative supervisors	19	1 - 9
Clerical staffs	13	1 - 4
General workers	20	1 - 13
Factory workers	239	1 - 12
<b>Total</b>	<b>350</b>	

**7.6 Contribution to Economic Growth**

The Weida Group contributes to economic growth and creates jobs for the country. The factories in Kuching, Kota Kitabau and Nilai engage mainly local workers for their production. In addition, the Group has technical collaboration with overseas manufacturers to develop new manufacturing technology locally. The manufacturing activities of the Weida Group also contribute toward industrial development of the country and reduce reliance on imported products.

Weida's products improve the standard of health and hygiene of the country and contribute to a cleaner environment. Its products have assisted in increasing the living standard and the quality of life in the country in both the rural and urban areas through the implementation of water utilities system and sanitation. The provision of the Group's hygienic and safe water storage tanks, piping system, high performance sewerage systems and other sanitation products support the Government's call to bring social development to the rural area. By improving sanitation of the rural area, the Government's medical costs are reduced. Proper treatment of sewage also gives rise to a cleaner environment. In addition, Weida's aquaculture implements have upgraded fish farming technology to achieve higher productivity in the aquaculture industry of the country.

**7.7 Interruption to Operations**

There has been no interruption to the Group's business or operations in the past twelve (12) months.

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

### 7.8 Summary of Landed Properties

Details of the properties owned by the Weida Group as at 30 June 2000 are as follows:-

Location/Title	Land Area Sq. Metre	Description/ Existing Use	Approximate Age of Building Year	Tenure	Open Market Value as at 31 January 2000 RM	Net Book Value as at 31 March 1999 RM	Valuation Surplus/ (Deficit) RM
<i>The registered and beneficial owner of the following landed properties is WIISB:-</i>							
Lot 472, Block 8, Muara Tebas Land District, Jalan Bako, Kuching, Sarawak	70,380.0	Offices and manufacturing building and storage yard	3	Leasehold expiring on 7 July 2058	14,900,000	9,788,978	5,111,022
Lot 56, Sedco-Lok Kawi Industrial Estate, Kota Kinabalu, Sabah	3,747.8	Storage yard	NA	Leasehold expiring on 31 December 2042	618,000	472,369	145,631
Lot 58, Sedco-Lok Kawi Industrial Estate, Kota Kinabalu, Sabah	4,185.3	Storage yard	NA	Leasehold expiring on 31 December 2042	691,000	561,893	129,107
Lot 57, Sedco-Lok Kawi Industrial Estate, Phase I, Kota Kinabalu, Sabah	8,704.4	Offices and manufacturing building	5	Leasehold expiring on 31 December 2042	2,768,000	1,373,936	1,394,064
Lot 109, Jalan AMZ, Arab-Malaysian Industrial Park, 71800 Nilai, Seremban	12,311.50	Offices and manufacturing building & storage yard	4	Freehold	4,000,000	4,763,331	(763,331)
<b>Total</b>					<b>22,977,000</b>	<b>22,875,916</b>	<b>6,016,493</b>

There were no transactions in the acquisition of the abovementioned properties during the two (2) years preceding the valuation date, i.e. 31 January 2000. The SC had vide its letter dated 24 July 2000, approved the open market valuation of approximately RM23 million. The resultant net revaluation surplus of RM6,016,493 based on NBV as at 31 March 1999, had been incorporated into the books of WIISB for the financial period ended 30 June 2000.

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

### 7.9 Information on the Subsidiary Companies

#### 7.9.1 WIISB

##### (i) History and Business Overview

WIISB was incorporated on 4 March 1988 in Malaysia under the Companies Act, 1965 as a private limited company under the name of Regional Chemical Containers Sdn Bhd. It assumed its present name on 15 November 1996. The company is principally involved in the manufacturing of HDPE products. In March 1997, AISB, a wholly-owned subsidiary of Permodalan Assar Sdn Bhd became a shareholder of WRSB.

The company started operations in 1988 with a factory located at the Pending Industrial Area, Kuching, Sarawak. In 1995, the company set up its second factory in Lok Kawi Industrial Estate, Kota Kinabalu, Sabah. In 1997, it expanded to Peninsula Malaysia and set up a third factory in Nilai, Seremban. In line with the growth experienced by the company, the company shifted its Kuching factory to Sejingkat Industrial Estate in March 1999, which has a higher production capacity.

Presently, the company manufactures a wide range of products such as water storage tanks, septic tanks, chemical tanks, rural sanitation products, sewage treatment systems, smooth and corrugated pipes, inland and open sea aquaculture cages, rubbish bins and others. The company employs more than 250 personnel ranging from production staff to engineers.

##### (ii) Share Capital

The existing authorised share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which RM3,000,000 have been issued and fully paid-up comprising 3,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of WIISB since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
04.03.1988	2	1.00	Subscribers' shares	2
21.07.1988	99,998	1.00	Cash	100,000
27.03.1991	250,000	1.00	Cash	350,000
01.04.1996	150,000	1.00	Cash	500,000
29.03.1997	2,500,000	1.00	Rights Issue	3,000,000

##### (iii) Major Shareholders

WIISB is a 100% owned subsidiary of Weida.

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**


---

**(iv) Profit Record**

A summary of the audited income statement of WIISB for the past five (5) financial years ended 31 March 2000 and three (3) month period ended 30 June 2000 are as follows:

	←————Financial years ended 31 March————→					Three (3) month period ended 30 June 2000 RM'000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	
Revenue	9,596	13,457	23,254	26,659	31,674	7,900
Other operating income	18	9	70	2,203	61	203
Changes in inventories	535	316	2,673	524	1,794	376
Raw materials and consumables used	(3,622)	(5,302)	(14,952)	(13,629)	(17,624)	(4,159)
Staff cost	(737)	(1,235)	(2,606)	(2,810)	(3,790)	(1,074)
Depreciation	(308)	(453)	(1,640)	(2,265)	(2,732)	(703)
Other operating expenses	(1,559)	(1,799)	(3,554)	(3,956)	(3,690)	(1,194)
Profit from operations	3,923	4,993	3,245	6,726	5,693	1,349
Finance cost	(30)	(225)	(1,101)	(1,801)	(1,755)	(398)
PBT	3,893	4,768	2,144	4,925	3,938	951
Less: Tax	(855)*	(1,158)*	(320)*	(230)*	-*	-*
PAT	3,038	3,610	1,824	4,695	3,938	951
EI	-	-	-	-	-	-
PAT after EI	3,038	3,610	1,824	4,695	3,938	951
Weighted average no. of ordinary shares in issue ('000)	350	500	3,000	3,000	3,000	3,000
Net EPS (sen)	868	722	61	157	131	32

\* *Adjusted*



---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**


---

**Notes:-**

- (a) *The revenue increased from RM9.6 million in 1996 to RM31.7 million in 2000. This was achieved through continuous launching of new products, expansion to Sabah and Peninsula Malaysia in addition to the aggressive marketing strategies taken by WRSB, Weidaya, WMSB and WETSB.*
- (b) *The revenue increased by 73% in 1998 as a result of the following:-*
- *The company ventured into Peninsula Malaysia by setting up a new factory at Nilai Industrial Estate. The factory commenced its commercial production in August 1997.*
  - *New product line, manufacturing of HDPE pipes was introduced in November 1997.*
  - *Increase in selling prices to WRSB as a result of the increase in resin costs.*
- (c) *The PBT reduced by 55% in 1998 despite the increase in revenue mainly due to the following:-*
- *Increase in cost of raw materials, namely, resins, as a result of weakening of Ringgit Malaysia against USD.*
  - *Increase in financing cost as a result of increase in interest rates*
  - *Lower production efficiency in Nilai factory due to initial stage of production*

**(v) Subsidiaries and Associated Companies**

As at the date hereof, WIISB has one associated company, namely, Weidasar Sdn Bhd (40% owned). Save from the above, WIISB does not have any other subsidiary or associated companies.

**7.9.2 WRSB****(i) History and Business**

WRSB was incorporated on 18 June 1992 in Malaysia under the Companies Act, 1965 as a private limited company. The company commenced operations on 1 July 1992 as a distributor of HDPE products and a wide range of other specialised engineering products such as solar photovoltaic systems, rubber dams, wharf fender systems, welding equipment, gabions and latrine bowls. In October 1994, following an equity restructuring, WRSB became the marketing arm of WIISB in Sabah and Sarawak. In March 1997, AISB, a wholly-owned subsidiary of Permodalan Assar Sdn Bhd became a shareholder of WRSB.

Presently, WRSB is principally involved in the marketing and sales of the wide range of HDPE manufactured by WIISB. In addition, WRSB also trades in fittings and related accessories, which are used in the assembly of the HDPE products. The company's sales offices are located in Kuching and Kota Kinabalu.

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

### (ii) Share Capital

The existing authorised share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which RM2,500,000 have been issued and fully paid-up comprising 2,500,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of WRSB since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
18.06.1992	100,000	1.00	Subscribers' Shares	100,000
29.12.1993	100,000	1.00	Cash	200,000
27.06.1995	300,000	1.00	Cash	500,000
29.03.1997	2,000,000	1.00	Rights Issue	2,500,000

### (iii) Major Shareholder

WRSB is a 100% owned subsidiary of Weida.

### (iv) Profit Record

A summary of the audited income statement of WRSB for the past five (5) financial years ended 30 June 2000 are as follows:-

	←-----Financial years ended 30 June-----→				
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
Revenue	22,065	37,273	28,715	28,758	37,570
Other operating income	4	103	290	373	158
Changes in inventories and work-in-progress	239	(238)	277	(79)	182
Purchase of finished goods	(18,442)	(26,493)	(22,523)	(20,413)	(28,260)
Staff cost	(755)	(1,553)	(1,570)	(1,425)	(2,498)
Depreciation	(181)	(270)	(337)	(386)	(384)
Other operating expenses	(1,136)	(2,375)	(3,553)	(3,158)	(3,709)
Profit from operations	1,794	6,447	1,299	3,670	3,059
Finance cost	(66)	(100)	(94)	(77)	(68)
PBT	1,728	6,347	1,205	3,593	2,991
Less: Tax	(547)	(1,940)	(570)	-	(1,017)
PAT	1,181	4,407	635	3,593	1,974
EI	-	-	-	-	-
PAT after EI	1,181	4,407	635	3,593	1,974

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**


---

Weighted average no. of ordinary shares in issue ('000)	500	1,000	2,500	2,500	2,500
Net EPS (sen)	236	441	25	144	79

---

**Notes:-**

- (a) *The increase in revenue in 1997 by 69% from RM22 million to RM37 million is mainly contributed to the full year operations in Sabah market and also a steady growth of 28% in the Sarawak market. (Source: Management's estimate)*
- (b) *The decline in revenue by 23% in 1998 is mainly due to:-*
- (i) *The reduction of sales of third party products (which were sold under Weida's distributorships) in order to focus on the Group's own products.*
  - (ii) *Septic tanks business unit was transferred from WRSB to Weidaya.*
  - (iii) *Lower demand for the Group's products due to the country's economic downturn.*

**(v) Subsidiaries and Associated Companies**

As at the date hereof, WRSB does not have any subsidiary or associated companies.

**7.9.3 WHSB****(i) History and Business**

WHSB was incorporated on 16 July 1996 in Malaysia under the Companies Act, 1965 as a private limited company under the name of Midas Pacific Sdn Bhd. It assumed its present name on 7 August 1996. WHSB commenced operations in February 1997. It is principally an investment holding company. In March 1997, AISB, a wholly-owned subsidiary of Permodalan Assar Sdn Bhd became a shareholder of WRSB. Prior to the restructuring set out in Section 7.2, WHSB was the holding company of WMSB, Saruwas, WETSB and Weidaya.

The Company is principally involved in turnkey contracts mainly in water supply, waste management and aquaculture system.

**(ii) Share Capital**

The existing authorised share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which RM510,000 have been issued and fully paid-up comprising 510,000 ordinary shares of RM1.00 each.

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**

The changes in the issued and paid-up share capital of WHSB since its incorporation are as follows:-

<b>Date of Allotment</b>	<b>No. of Shares Allotted</b>	<b>Par Value RM</b>	<b>Consideration</b>	<b>Total Issued and Paid-up Share Capital RM</b>
16.07.1996	2	1.00	Subscribers' Shares	2
18.03.1997	9,998	1.00	Cash	10,000
29.03.1997	500,000	1.00	Cash	510,000

**(iii) Major Shareholder**

WHSB is a 100% owned subsidiary of Weida.

**(iv) Profit Record**

A summary of the consolidated audited income statement of WHSB for the financial period from 16 July 1996 (date of incorporation) to 31 March 1997, the three (3) financial years ended 31 March 2000 and the three (3) month period ended 30 June 2000 are as follows:-

	<b>Period from 16 July 1996 to 31 March 1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>Three (3) month period ended 30 June 2000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,933	8,461	12,712	24,856	5,781
Other operating income	-	91	44	13	2
Changes in inventories of finished goods and work-in-progress	-	2	448	516	1,007
Purchase of finished goods	(1,645)	(7,083)	(9,699)	(16,709)	(5,158)
Work performed and capitalised	-	-	(244)	711	887
Staff cost	(16)	(374)	(570)	(947)	(328)
Depreciation	(1)	(74)	(95)	(146)	(43)
Other operating expenses	(83)	(886)	(2,562)	(6,641)	(1,800)
Profit from operations	188	137	34	1,653	348
Finance cost	-	(8)	(25)	(32)	(10)
PBT	188	129	9	1,621	338
Less: Tax	(58)	(115)	1	(456)	(138)
PAT	130	14	10	1,165	200
EI	-	-	-	-	-
PAT after EI	130	14	10	1,165	200

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**

PAT after EI	130	14	10	1.165	200
MI	(39)	51	(21)	(327)	(15)
PAT after EI and MI	91	65	(11)	838	185
No. of ordinary shares in issue ('000)	510	510	510	510	510
Net EPS (sen)	18	13	(2)	164	36

**Notes:-**

(a) *The revenue in financial period/ year ended 31 March 1997 and 1998 is mainly contributed by the sales of HDPE pipes to Bakun Resettlement Scheme. The significant increase in revenue for financial year ended 31 March 1999 is mainly contributed by the Stenggang Water Supply Project, which was awarded by the Government of Sarawak on 13 July 1998. The project is worth RM4.380 million and involves the design and construction of the project, which is targeted for completion in March 2000.*

(b) *There was a write back of an over provision of tax of approximately RM1,000 in 1999.*

**(v) Subsidiaries and Associated Companies**

As at the date hereof, WMSB has no subsidiary or associated companies.

**7.9.4 WMSB****(i) History and Business**

WMSB was incorporated on 26 March 1997 in Malaysia under the Companies Act, 1965 as a private limited company. The company commenced operations in 1997. It is principally involved in the marketing and sales of HDPE products manufactured by WIISB in Peninsula Malaysia and operates mainly from its sales office in Kuala Lumpur. In addition, WMSB is responsible for keeping the Group updated on the latest manufacturing processes, industry changes and market demand for HDPE products.

---

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)**


---

**(ii) Share Capital**

The authorised share capital of WMSB is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each of which RM500,000 have been issued and fully paid-up comprising 500,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of WMSB since its incorporation are as follows:-

<b>Date of Allotment</b>	<b>No. of Shares Allotted</b>	<b>Par Value RM</b>	<b>Consideration</b>	<b>Total Issued and Paid-up Share Capital RM</b>
26.03.1997	2	1.00	Subscribers' Shares	2
01.04.1997	499,998	1.00	Cash	500,000

**(iii) Major Shareholders**

The substantial shareholders of WMSB are as follows:-

<b>Substantial Shareholders</b>	<b>% of Shareholding</b>
Weida	51
Teoh Chong Lim	25
Veronica Treasa Ak Michael Jidang	5
Sim Hong Swee	19
<b>Total</b>	<b>100</b>

**(iv) Profit Record**

The profit record of WMSB has been consolidated into the consolidated audited income statement of WMSB as stated in Section 7.9.3 (iv) of this Prospectus.

**(v) Subsidiaries and Associated Companies**

As at the date hereof, WMSB does not have any subsidiary or associated companies.

**7.9.5 Saruwas****(i) History and Business**

Saruwas was incorporated on 8 September 1995 in Malaysia under the Companies Act, 1965 as a private limited company. It commenced operations in 1998. Saruwas is the project management arm of the Group and was set-up primarily to undertake the implementations of turnkey contracts and to provide engineering and project management services for water projects in the Government and private sectors. Its activities include feasibility studies, investigations and design works for water resources, treatment, storage, reticulation and maintenance of water systems.

**7. INFORMATION ON THE WEIDA GROUP (Cont'd)****(ii) Share Capital**

The authorised share capital of Saruwas is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which RM200,000 have been issued and fully paid-up comprising 200,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Saruwas since its incorporation are as follows:-

<b>Date of Allotment</b>	<b>No. of Shares Allotted</b>	<b>Par Value RM</b>	<b>Consideration</b>	<b>Total Issued and Paid-up Share Capital RM</b>
08.09.1995	2	1.00	Subscribers' Shares	2
21.08.1996	199,998	1.00	Cash	200,000

**(iii) Major Shareholders**

The substantial shareholders of Saruwas are as follows:-

<b>Substantial Shareholders</b>	<b>% of Shareholding</b>
Weida	51
Ong Boon Yaw	44
Veronica Treasa Ak Michael Jidang	5
<b>Total</b>	<b>100</b>

**(iv) Profit Record**

The profit record of Saruwas has been consolidated into the consolidated audited income statement of WHSB as stated in Section 7.9.3 (iv) of this Prospectus.

**(v) Subsidiaries and Associated Companies**

As at the date hereof, Saruwas does not have any subsidiary or associated companies.

**7.9.6 WETSB****(i) History and Business**

WETSB was incorporated on 12 September 1996 in Malaysia under the Companies Act, 1965 as a private limited company. The company commenced operations in 1998 and is involved in the marketing and sales of a sewage treatment package manufactured by WIISB under the brand name of POLYPASS.

## 7. INFORMATION ON THE WEIDA GROUP (Cont'd)

The package comprises the prefabricated treatment chamber complete with mechanised accessories. In addition, WETSB is also involved in the design, construction, commissioning and maintenance of sewage systems for its clients.

### (ii) Share Capital

The authorised share capital of WETSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM100,000 have been issued and fully paid-up comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of WETSB since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
12.09.1996	3	1.00	Cash	3
04.04.1997	99,997	1.00	Cash	100,000

### (iii) Major Shareholders

The substantial shareholders of WETSB are as follows:-

Substantial Shareholders	% of Shareholding
Weida	51
Envitech Sdn Bhd	44
Veronica Treasa Ak Michael Jidang	5
<b>Total</b>	<b>100</b>

### (iv) Profit Record

The profit record of WETSB has been consolidated into the consolidated audited income statement of WHSB as stated in Section 7.9.3 (iv) of this Prospectus.

### (v) Subsidiaries and Associated Companies

As at the date hereof, WETSB does not have any subsidiary or associated companies.

## 7.9.7 Weidaya

### (i) History and Business

Weidaya was incorporated on 1 August 1996 in Malaysia under the Companies Act, 1965 as a private limited company. It commenced operations in 1996 to market HDPE septic tanks under the brand name of POLYSEPT to all housing and commercial projects.



**7. INFORMATION ON THE WEIDA GROUP (Cont'd)****(ii) Share Capital**

The authorised share capital of Weidaya is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which RM500,000 have been issued and fully paid-up comprising 500,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Weidaya since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
01.08.1996	2	1.00	Subscribers' Shares	2
06.11.1996	99,998	1.00	Cash	100,000
25.02.1997	400,000	1.00	Cash	500,000

**(iii) Major Shareholders**

The substantial shareholders of Weidaya are as follows:-

Substantial Shareholders	% of Shareholding
Weida	70
Erano Corporations Sdn Bhd	30
<b>Total</b>	<b>100</b>

**(iv) Profit Record**

The profit record of Weidaya has been consolidated into the consolidated audited income statement of WHSB as stated in Section 7.9.3 (iv) of this Prospectus.

**(v) Subsidiaries and Associated Companies**

As at the date hereof, Weidaya does not have any subsidiary or associated companies.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## 8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 8.1 Information on Promoters and Substantial Shareholders

The major shareholders of Weida and their respective shareholdings in Weida after the Public Issue will be as follows:-

#### 8.1.1 Substantial Shareholders

Name	Nationality / Country of Operation	Number of Shares held in Weida after Public Issue			
		Direct	%	Indirect	%
Lee Choon Chin	Malaysian	1,412,273	3.53	9,333,323*	23.33
Zainal Abidin bin Ahmad	Malaysian	6,453,704	16.13	-	-
AISB	Malaysia	6,897,914	17.24	-	-
Weida Management Sdn Bhd	Malaysia	8,737,357	21.84	-	-
ASSAR	Malaysia	2,767,644***	6.92	-	-
Tiara Senja Sdn Bhd	Malaysia	3,866,224	9.67	-	-
Liew Kee Moi	Malaysian	595,966	1.49	10,149,630**	25.37

\* Deemed interest by virtue of his substantial interest in Weida Management Sdn Bhd & his spouse's (Liew Kee Moi) direct shareholding in Weida.

\*\* Deemed interest by virtue of her spouse's (Lee Choon Chin) substantial interest in Weida Management Sdn Bhd & her spouse's direct interest in Weida.

\*\*\* Held through HSBC Trustee (Malaysia) Sdn Bhd

(i) Details of AISB are as follows:-

- a. AISB was incorporated on 17 July 1996 under the Companies Act, 1965 as a private limited company;
- b. The principal activity of AISB is investment holding;
- c. The directors of the company are Datu Haji Abdul Rashid bin Mohd Azis, Wan Suleiman Wan Sadi and Shamsul Anuar Ahamad Ibrahim; and
- d. The company is 100% owned by Permodalan ASSAR Sdn Bhd.

(ii) Details of Weida Management Sdn Bhd are as follows:-

- a. The company was incorporated as Dasar Rajawali Sdn Bhd on 9 April 1997 under the Companies Act, 1965 as a private limited company. The name was subsequently changed to Weida Management Sdn Bhd on 28 July 1998;
- b. The principal activity of Weida Management Sdn Bhd is investment holding;
- c. The directors of the company are Lee Choon Chin, Yong Lin Lin, Lai Lim Hon, Tok Jiak Yong, Jee Hon Chong, Liew Kee Moi and Jee Cheng Kong; and

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

d. The substantial shareholders of the company are as follows:-

Shareholders	No. of Shares	%
Lee Choon Chin	1,027,711	45
Liew Kee Moi	274,057	12
Yong Lin Lin	274,056	12
Jee Cheng Kong	137,028	6
Jee Hon Chong	228,380	10
Tok Jiak Yong	228,380	10
Lai Lim Hon	114,190	5
<b>Total</b>	<b>2,283,802</b>	<b>100</b>

(iii) Details of ASSAR are as follows:-

- ASSAR, a unit trust fund, was set up via a Deed dated 20 August 1993 (and subsequently a Deed dated 23 June 1999);
- ASSAR is managed by Amanah Saham Sarawak Berhad, a wholly owned subsidiary of Permodalan ASSAR Sdn Bhd.

(iv) Details of Tiara Senja Sdn Bhd are as follows:-

- Tiara Senja Sdn Bhd was incorporated on 12 August 1997 under the Companies Act, 1965 as a private limited company;
- The principal activity of Tiara Senja Sdn Bhd is investment holding;
- The directors of the company are Hossen bin Jamail and Hasnandi bin Mohamad Jennis; and
- The substantial shareholders of the company are as follows:-

Shareholders	No. of Shares	%
Hasnandi bin Mohamad Jennis	50,000	50
Hossen bin Jamail	50,000	50
<b>Total</b>	<b>100,000</b>	<b>100</b>

**8.1.2 Promoters**

The promoters of Weida are Lee Choon Chin, Zainal Abidin bin Ahmad and AISB.

The profile of Lee Choon Chin and Zainal Abidin bin Ahmad are outlined in Section 8.2 of this Prospectus.

AISB has been a shareholder of WIISB, WHSB and WRSB since 29 March 1997. AISB is a subsidiary of Permodalan ASSAR Sdn Bhd, where its shareholders, namely, the SEDC, LCDA and YS are Sarawak state government agencies while LAKMNS is a charitable trust body.

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)****8.1.3 Changes in Promoters and Substantial Shareholders' shareholdings in the Company for the Past Three (3) Years**

Shareholders	Date Acquired	Date Disposed	No. of Shares	Balance	% *
Lee Choon Chin	25.10.2000	-	1,402,273	1,402,273	3.50
Zainal Abidin bin Ahmad	23.10.2000	-	4,598,608	4,598,608	11.50
	25.10.2000	-	1,845,096	6,443,704	16.11
AISB	23.10.2000	-	6,897,914	6,897,914	17.24
	25.10.2000	-	2,767,664	9,665,578	24.16
	-	25.10.2000	(2,767,664)	6,897,914	17.24
Weida Management Sdn Bhd	23.10.2000	-	8,737,357	8,737,357	21.84
	25.10.2000	-	3,505,682	12,234,039	30.59
	-	25.10.2000	(3,505,682)	8,737,357	21.84
Liew Kee Moi	25.10.2000	-	595,966	595,966	1.49
Tiara Senja Sdn Bhd	23.10.2000	-	2,759,166	2,759,166	6.90
	25.10.2000	-	1,107,058	3,866,224	9.67
ASSAR	25.10.2000	-	2,767,644**	2,767,644	6.92

\* Based on enlarged share capital of RM40 million

\*\* Held through HSBC Trustee (Malaysia) Berhad

**8.2 Directors****(i) Profile**

Brief profile of the Board of Directors of Weida are as follows:-

**Tuan Haji Su'ut Haji Suhaili**, aged 54, is the Group Chairman. He was appointed to the Board on 25 October 2000. A MBA graduate of Henley Brunel University in United Kingdom, Tuan Haji Su'ut has served in numerous ministries and agencies in Sarawak, amongst others, he has held appointment as Permanent Secretary to the State Ministry of Land Development, Ministry of Infrastructure Development and Communications and Ministry of Industrial Development. Currently, Tuan Haji Su'ut is the General Manager of Bintulu Development Authority, a regional authority responsible for the development of the entire Bintulu region. Tuan Haji Su'ut also sits on the following Board; Shell Timur Sdn Bhd, Bintulu Edible Oil Sdn Bhd, Borneo Development (S) Corporation Sdn Bhd, Ferego Sdn Bhd, Kidurong Properties Sdn Bhd, Bandar Sinar Sdn Bhd, Bintulu Sembawang Sdn Bhd, BQ Batching (Bintulu) Sdn Bhd, Custodev Dua Sdn Bhd, Bintulu Port Authority and Bintulu Premix Sdn Bhd. He has more than three (3) years of experience in HDPE related industry

**Lee Choon Chin**, aged 46, is the Group Managing Director/ Chief Executive Officer. He was appointed to the Board on 25 October 2000. He graduated from University of Malaya with a Bachelor of Science (Hons) in 1978. He started his career with 3M Malaysia Sdn Bhd, a subsidiary of the American multinational company as the Sarawak Area Manager until 1983. Subsequent to this, he set up Syarikat Weida to trade engineering products including HDPE products. In 1988, he led the Group to commence manufacturing HDPE products. As a founder of Weida Group, his excellent entrepreneurial skills and more than ten (10) years of experience in HDPE related industry have steered Weida Group to become an established manufacturer in Malaysia

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

**Zainal Abidin bin Ahmad**, aged 42, is a director of the Weida Group. He was appointed to the Board on 25 October 2000. He graduated with a Master of Arts degree in Management from the University of Kent at Canterbury, England in 1985. He obtained his first degree, a Bachelor of Arts, from University Kebangsaan Malaysia in 1981 and subsequently a University Diploma in Accounting from the University of Kent at Canterbury, England in 1984. Between 1981 to 1987, he was with the Sarawak Civil Service.

In 1987, he left the Government Service and moved on to the corporate sector. He started in the construction industry but has since expanded to other fields such as property development, oil palm plantations, finance and is still currently involved in these activities. En. Zainal is also the Executive Chairman of Zecon Engineering Berhad and Managing Director of Sarawak Concrete Industries Berhad, these companies are listed on the Second Board of the KLSE. In addition, he is also the Chairman of Advance Finance Berhad since 1994. His experience (more than ten (10) years in construction sector) and good contacts in the construction sector will augur well for Weida, especially in promoting and selling of construction related products.

**Jee Hon Chong**, aged 41, is the Director of the Manufacturing Division. He was appointed to the Board on 25 October 2000. He graduated from Tunku Abdul Rahman College and subsequently obtained his degree in Mechanical Engineering from the Engineering Council, United Kingdom.

He joined Weida as a Production Executive and later as the Factory Manager. Presently, he is the Group General Manager of Weida's manufacturing plant in Sarawak, Sabah and Peninsula Malaysia. He was one of the pioneers and the first factory engineer when Weida started the manufacturing operation. Since the commencement of the manufacturing division in Kuching in 1988, Mr. Jee has successfully commissioned another two factories in Kota Kinabalu and Nilai. Currently, he is responsible for the overall planning and development of the manufacturing division in Weida.

He is also the Director of WIISB, the manufacturing company of the Group.

**Yong Lin Lin**, aged 40, graduated with a Diploma in Electrical and Electronic Engineering in 1985. He was appointed to the Board on 25 October 2000. He joined Weida in 1986 as an Sales Executive and became the General Manager of WRSB in 1992. He is also the Director of WIISB, WRSB and WMSB. He is responsible for the formulation and implementation of the marketing strategies for the Group.

He together with Mr. Lee Choon Chin, the Managing Director of Weida, have been the driving force in steering Weida from a small trading company into a nation-wide company.

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

**Ahmad Tarmizi bin Sulaiman**, aged 38, was appointed to the Board on 25 October 2000. He holds a Bachelor and Master Degree in Business Administration from Syracuse University, New York and University of Winsconsin, USA respectively .

He was formerly with Arab-Malaysian Merchant Bank Berhad as an Investment Manager and later joined American International Assurance Co. Ltd also as an Investment Manager and has more than three (3) years of experience in HDPE related industry.

Presently, he is the Chief Executive Officer of Amanah Saham Sarawak Berhad. He also sits on the Board of Sarawak Economic Development Corporation, Zecon Engineering Berhad, Sarawak Concrete Industries Berhad and Interfinance Berhad.

**Zaidi bin Ahmad**, aged 41, was appointed on the Board on 25 October 2000. He holds a Diploma in Banking Studies from UITM and a Master of Business Administration from Leicester University, United Kingdom.

He started his career as an officer with Mayban Finance Berhad in 1984 and was subsequently promoted as a Branch Manager.

In 1994, he was appointed the Executive Director cum Chief Executive Officer of Advance Finance Berhad, a licensed finance company in Malaysia and has held the post ever since. Under his leadership, Advance Finance Berhad returned to profitability. He also sits on the Board of several private limited companies.

**Datu Voon Chen Hian @ Voon Chen Kok**, aged 57, was appointed to the Board on 25 October 2000. He holds a Bachelor of Engineering (Civil) from the University of Tasmania, Australia. He started his career in 1969 with Jabatan Kerja Raya ("JKR") Kapit Division and Sarikei Division as the engineer-in-charge. In the following year, he was promoted to be the Assistant Division Engineer as well as Resident Engineer of Sibu Division. In 1980, he was appointed as the Chief Engineer of Armed Forces Works of JKR, Sarawak and was later promoted to be the Assistant Director of Water Supply and Sewerage Branch of Sarawak in 1986. In 1988, he was appointed as the Chief Hydraulic Engineer of JKR Sarawak. From 1992 to 1996 he headed the Water Supply and Sewerage Branch of JKR, Sarawak Division while in October, 1995 he was appointed as the Chairman of Sibu Water Board and in November of the same year, appointed to the Board of Director of Water Board Northern Region M. Sdn Bhd. Subsequently, in January, 1996, he was appointed as the Deputy Director of Public Works Department and was promoted to be the Director of Public Works Department of Sarawak in November of the same year and serves in the same department until today.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

**Datuk Dr. Stalin Hardin**, aged 59, was appointed to the Board on 15 December 2000. He obtained his Doctor of Medicine degree from the University of Toronto, Canada in 1996 and a Master of Public Health post-graduate degree from Tulane University, USA in 1970. He worked for the Malaysian government in the Health Department, Sarawak in various capacities for 29 years till his retirement in November 1996. His last posting with the Department was a Director of Health Department, Sarawak. He was also a Board member of the Kuching Water Board for 13 years from 1983 till 1996. Presently, he is the Adviser to the State Government for the implementation of the Sarawak International Medical Centre. He is also the Consultant to Medi-serve Sdn Bhd. He sits on the Board of Directors of Hardin and Son Sdn Bhd, a family owned company.

**(ii) Directors' Shareholdings in Weida**

The shareholdings of the Directors in Weida after the Public Issue will be as follows:-

Directors	Direct		Indirect		Nationality
	No. of shares	%	No. of shares	%	
Tuan Haji Su'ut Haji Suhaili	10,000	0.03	-	-	Malaysian
Lee Choon Chin	1,412,273	3.53	9,333,323*	23.33	Malaysian
Jee Hon Chong	360,568	0.90	-	-	Malaysian
Yong Lin Lin	430,682	1.08	-	-	Malaysian
Zainal Abidin bin Ahmad	6,453,704	16.13	-	-	Malaysian
Ahmad Tarmizi bin Sulaiman	10,000	0.03	-	-	Malaysian
Zaidi bin Ahmad	10,000	0.03	-	-	Malaysian
Datu Voon Chen Hian @ Voon Chen Kok	10,000	0.03	-	-	Malaysian
Datuk Dr. Stalin Hardin	10,000	0.03	-	-	Malaysian

\* Deemed interest by virtue of his substantial shareholding in Weida Management Sdn Bhd & his spouse's (Liew Kee Moi) direct shareholding in Weida.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)****(iii) Directors' Directorships and Substantial Shareholdings in Other Public Companies for the Past Two (2) Years**

Save as disclosed below, none of the Directors holds or has held any directorships and five percent (5%) or more of the issue and paid-up share capital in other public companies for the past two (2) years.

<b>Directors</b>	<b>Company</b>	<b>Position</b>
Zainal Abidin bin Ahmad	Zecon Engineering Bhd ("Zecon")	Executive Chairman and a substantial shareholder
	Sarawak Concrete Industries Bhd ("SCIB")	Managing Director and a substantial shareholder
	Advance Finance Bhd	Chairman and a substantial shareholder
Zaidi bin Ahmad	Advance Finance Bhd	Director
Ahmad Tarmizi bin Sulaiman	Zecon	Director
	SCIB	Director
	Interfinance Bhd	Director
	Sarawak Transport Co Bhd	Director
Datu Voon Chen Hian @ Voon Chen Kok	SCIB	Director

**(iv) Service Agreements**

None of the Directors has any existing or proposed service agreements with the Company or any of its subsidiary companies.

**(v) Directors' Remuneration and Benefits**

The remuneration paid to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries for the financial year ended 31 March 2000 amounted to RM800,000. For the financial year ending 31 March 2001, the remuneration payable to the Directors is estimated at RM800,000.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**



---

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

---

**8.3 Key Management**

**(i) Profile**

Brief Profile of the Management Team of Weida are stated below:-

**Ir. Lai Lim Hon** aged 50, graduated from the University of Malaya in 1975 with an Honours Degree in Civil Engineering and a Master of Engineering from University of New South Wales, Australia.

He started his career with Sarawak Public Works Department specialising in water supplies and sewage. During the tenure of his service, he has served in many capacities especially in the state water planning, setting standards, formulation of water supply development strategies, implementation and management of the operations and maintenance of water supplies throughout the State.

He was a member of the technical committee involved in drafting the Sarawak's Water Supply Ordinance and Regulations. His last appointment with Public Works Department, Sarawak in 1995 was as Chief Hydraulics Engineer for Water Supply and Sewage branch. He retired from public sector in 1995 and joined a leading engineering firm, TW Eng Consa Sdn Bhd as a Director.

He joined Weida in 1997 as the Technical Director responsible for engineering and technical matters with emphasis on new product development and engineering and works in water, sewage and aquaculture projects. Ir. Lai is also the Head of the Research and Development Division in Weida.

He is also the Director of WHSB and WIISB.

**Ir. Ong Boon Yaw**, aged 52, graduated with a Bachelor of Science in 1972 and a Bachelor of Civil Engineering in 1974 both from the University of Canterbury, New Zealand. He began his career with Jabatan Kerja Raya (JKR) in 1975 and was promoted to the position of Senior Engineer in 1986.

He accumulated a wide range of experience in civil engineering development projects, initially supervising the construction of roads, buildings, wharves and bridges and later in the planning, design and implementation of water supply projects. In the latter part of his career with JKR, he assisted in the functions of the Sarawak Water Resources Council and contributed to the drafting of the Water Ordinance 1994.

Mr. Ong is registered with the Board of Engineers Malaysia as a Professional Engineer and is a corporate member of the Institution of Engineers Malaysia. He is the co-author of two papers which were published in 1991 and 1993, namely, Peatland as a Resource for Water Supply in Sarawak (joint paper with Mr. Yogeswaran Mailvaganam) and Groundwater Exploitation of a Shallow Coastal Sand Aquifer in Sarawak, Malaysia (joint paper with Mr. Yogeswaran Malivaganam, Mr Zailon Ramli and Professor Ken Rushton).

In 1996, he joined Saruwas as a shareholder and Managing Director. His responsibilities include the preparation of technical and financial proposals for development projects and the supervision and management of major civil engineering projects.

---

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

---

**Tok Jiak Yong**, aged 37, after completing secondary education, he joined Weida as a Sales and Marketing Executive in 1993 and subsequently promoted to become a director of WRSB and WMSB. He is also a shareholder of Weida. He is presently the Product Group General Manager in charge of the sales of storage tanks in Sarawak, Sabah and Peninsula Malaysia.

**Jee Cheng Kong**, aged 32, graduated from LEEDS Metropolitan University, UK with a Bachelor of Arts (Business Administration). He joined WRSB as a Sales Executive in 1989 and was promoted to Assistant General Manager in 1992.

In 1995, he was transferred to WIISB and appointed the Factory Manager for its Sabah factory. He is currently responsible for the factory operation in Sabah.

He is also the Director of WRSB.

**Lim Wei Wui**, aged 41. He graduated from Federal Institute of Technology with a Diploma in Electronics Engineering in 1982. During the early part of his career, he worked as a technician and later as a supervisor principally in the area of security alarm and fire system and other communication systems. He was involved in the design and installation of many office buildings such as Komtar, Penang, Shangri-La Hotel, KL, Selangor Dredging Building and etc.

He joined Weida in 1988 as a project and technical executive, whose principal responsibilities are providing technical support, after sales services and project management. In 1997, he was promoted to Assistant Factory Manager of Kuching factory thereafter to Nilai factory as the Factory Manager. Currently, he is responsible for the operation of Nilai factory.

**Song Chyn**, aged 26, graduated from University of New South Wales, Australia with Bachelor in Mechanical Engineering (Hons) in 1996. Upon graduation, he joined WIISB as a mechanical engineer. In 1998, he was appointed as an assistant factory manager later the factory manager in Kuching. Currently, he is responsible for the overall operation of the Kuching factory, which is also the headquarter of the Weida Group's manufacturing operation.

**Chong Kwan Wai**, aged 38, graduated from Tuanku Abdul Rahman College in 1985 and subsequently obtained his degree in Mechanical Engineering from the Engineering Council, UK.

He has worked as a Sales Engineer with Rexroth Sdn Bhd, a company dealing in hydraulic part and equipment. In 1985, he joined the Sandakan Water Supply Extension Scheme, he was in charge of a plant manufacturing steel water pipes and fittings. Subsequently, he joined Scott and English as Branch Executive dealing with sales and services of generator sets and construction equipment.

Mr. Chong is currently the General Manager of Sabah operation, his extensive experience and marketing network has contributed to the growth to the Sabah operation.

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

**Liew Kok Chiang**, aged 36, graduated with Bachelor of Arts (Economics) from University of Iowa, USA. Upon returning to Sarawak in early 1990, he joined Sime Darby Kuching as Branch Executive. He was responsible for the overall product development in the consumer, lubricant and pharmaceutical division and overall marketing strategies in Sarawak.

He joined Weida in 1995 as Sales Manager handling the sales of engineering products. Currently, he is overseeing the engineering and sewage products division in Sarawak.

**Phua Kok Hui**, aged 33, is the General Manager of WMSB. Mr. Phua graduated with NCC Diploma in Computer Science from Informatics College in 1988. Mr. Phua joined Systematic College in 1989 as a course adviser and was promoted to course director in 1993. His principle function was to co-ordinate and provide advice to prospective students on the various courses available in the college. Subsequent to his employment in Systematic College, he joined Satria Management Sdn Bhd as a project officer principally in the marketing and implementation of ISO 9000 system. Mr. Phua joined Weida in 1997 and is presently the head of the Marine and Farm Product division.

**Thong Wai Kook**, aged 36, graduated with a Diploma in Business Management. He was working with UOL Credit Sdn Bhd as a Credit Officer in 1989 for a period of 4.5 years before joining Weida Resources Sdn Bhd as a Business Development Executive. He was promoted to Sales Manager the following year and heads the storage tanks and material handling products division in Sarawak.

His experience in marketing and in depth understanding of Weida's products will continue to play an important role in the market development of the Weida's products in Sarawak.

**Teoh Chong Lim**, aged 44, is the Finance Director of Weida Marketing Sdn Bhd. He is a qualified accountant and received his professional accounting qualification from the Malaysian Association of Certified Public Accountants in 1982. He joined C.I Holdings Berhad in 1982 as Group Accountant. In 1987, he was promoted as the Financial Controller cum Company Secretary of the company.

In 1991, he was transferred to Doe Industries Sdn Bhd as General Manager until 1996. Prior to joining WMSB as a shareholder and director in 1997, he was the Finance Director of Aloe Plus Cosmetic (M) Sdn Bhd.

In WMSB, he is responsible for the overall financial management of the company and provides strategic financial and marketing input for the overall market expansion and development in Peninsula Malaysia.

**Wang Tin Ngee**, aged 34, graduated in 1990 from University of London, England with a Bachelor of Science in Economics (Honours), majoring in Accounting. He is a fellow member (FCCA) of the Association of Chartered Certified Accountants (UK) and associate member (ACMA) of the Chartered Institute of Management Accountants (UK). In 1997, he was admitted as a Public Accountant of Malaysian Institute of Accountants (MIA).

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

He began his career in 1990 with John Burnett McMahon & Co, a Chartered Accountants firm in London. On his return to Malaysia in 1995, he joined Price Waterhouse (now known as PriceWaterhouseCoopers) Kuching. During his tenure in the public practice, he has gained vast experience in audit and consultancy work. He joined Weida in 1997 and is presently the Group Accountant. Besides the overall Group financial matters, Mr. Wang is specifically in-charge of the Group manufacturing account.

**Jeffery Goh Tan Ku**, aged 32, graduated with Bachelor of Business (Accountancy) from Royal Melbourne Institute of Technology (RMIT), Australia. Upon graduation in 1993, he joined KPMG as an audit assistant, his last position held was Audit Senior. He joined WRSB in 1996 as an Accountant and is responsible for the marketing and works accounts. He is also responsible for the overall group financial matters.

**(ii) Key management staff shareholding in Weida**

Name	Designation	No. of ordinary shares held after Public Issue			
		Direct	%	Indirect	%
Ir. Lai Lim Hon	Technical Director/ Head of R & D	185,284	0.46	-	-
Ir. Ong Boon Yaw	Project Engineer	10,000	0.03	-	-
Tok Jiak Yong	General Manager	360,568	0.90	-	-
Chong Kwan Wai	General Manager (Sabah)	10,000	0.03	-	-
Phua Kok Hui	General Manager (Peninsula Malaysia)	10,000	0.03	-	-
Thong Wai Kook	Sales Manager	10,000	0.03	-	-
Liew Kok Chiang	Sales Manager	10,000	0.03	-	-
Song Chyn	Factory Manager (Sarawak)	10,000	0.03	-	-
Jee Cheng Kong	Factory Manager (Sabah)	220,341	0.55	-	-
Lim Wei Wui	Factory Manager (Peninsula Malaysia)	10,000	0.03	-	-
Jeffery Goh Tan Ku	Finance Manager	10,000	0.03	-	-
Wang Tin Ngee	Group Accountant	10,000	0.03	-	-

**(iii) Service Agreements**

None of the key management has any existing or proposed service agreements with the Company or any of its subsidiary companies.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**8. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)****8.4 Declarations from Directors and Key Management**

The directors and key management declare that they are not involved in the following events:-

- a. A petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel; or
- b. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- c. Such person was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

**8.5 Audit Committee**

The composition of the Audit Committee is as follows:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Datuk Dr. Stalin Hardin	Chairman	Independent Non-executive Director
Ahmad Tarmizi bin Sulaiman	Member	Non-executive Director
Tuan Haji Su'ut Haji Suhaili	Member	Independent Non-executive Chairman

**8.6 Family Relationship**

Save as disclosed below, none of the other major shareholders and promoters, directors and key management are related to each other:-

- Zainal Abidin bin Ahmad and Zaidi bin Ahmad are brothers
- Liew Kee Moi is the wife of Lee Choon Chin

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

---

## 9. CONFLICT OF INTEREST / RELATED PARTIES TRANSACTION

---

### 9.1 Declaration of the Advisers

Arab-Malaysian hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Adviser for the issue.

Messrs PricewaterhouseCoopers has given its confirmation that there are no existing or potential conflict of interest in its capacity as Reporting Accountants.

Messrs Alvin Chong & Partners Advocates and Messrs Sio & Ting Advocates have given their confirmation that there are no existing or potential conflict of interest in their capacity as the Solicitors for the issue.

Henry Butcher, Lim , Long & Chieng (Sarawak) Sdn Bhd has given its confirmation that there is no conflict of interest in its capacity as the Valuers in relation to the issue.

### 9.2 Related party transaction

Save as disclosed below, none of the Directors or substantial shareholders of the Company, has any interest, direct or indirect, in the promotion of or in any material acquired or assets disposed or proposed to be disposed or leased to or proposed to be leased to the Company or its subsidiary companies within the two (2) years preceding the date of this Prospectus.

On 23 October 2000 Weida completed of the following acquisitions:-

- (i) The entire issued and paid-up share capital of WIISB from Weida Management Sdn Bhd, AISB, Zainal Abidin bin Ahmad and Tiara Senja Sdn Bhd comprising 3,000,000 Shares for a purchase consideration of RM21,471,768 satisfied by the issuance of 14,808,116 new Shares in the capital of Weida valued at approximately RM1.45 per share.
- ii) The entire issued and paid-up share capital of WRSB from Weida Management Sdn Bhd, AISB, Zainal Abidin bin Ahmad and Tiara Senja Sdn Bhd comprising 2,500,000 shares in the capital of WRSB for a purchase consideration of RM11,314,780 satisfied by the issuance of 7,803,297 new Shares in the capital of Weida valued at approximately RM1.45 per share.
- iii) The entire issued and paid-up share capital of WHSB from Weida Management Sdn Bhd, AISB, Zainal Abidin bin Ahmad and Tiara Senja Sdn Bhd comprising 510,000 shares in the capital of WHSB for a purchase consideration of RM553,367 satisfied by the issuance of 381,632 new Shares in the capital of Weida valued at approximately RM1.45 per share.
- iv) Acquisition of 102,000 Shares representing 51% of the issued and paid-up share capital of Saruwas from WHSB comprising 102,000 Shares for a total cash consideration of RM102,000.
- v) Acquisition of 51,000 Shares representing 51% of the issued and paid-up share capital of WETSB from WHSB comprising 51,000 Shares for a total cash consideration of RM51,000.

---

**9. CONFLICT OF INTEREST / RELATED PARTIES TRANSACTION (Cont'd)**


---

- vi) Acquisition of 255,000 Shares representing 51% of the issued and paid-up share capital of WMSB from WHSB comprising 255,000 Shares for a total cash consideration of RM255,000.
- vii) Acquisition of 350,000 Shares representing 70% of the issued and paid-up share capital of Weidaya from WHSB comprising 350,000 Shares for a total cash consideration of RM350,000.

The interests of the substantial shareholders of the Company in the aforesaid transactions are as follows:-

Name	Nature of Interest
Weida Management Sdn Bhd	Substantial shareholder of Weida and being a vendor of WIISB, WRSB, WHSB. WHSB is the vendor of Weidaya, WMSB, WETSB and Saruwas
Zainal Abidin bin Ahmad	Substantial shareholder of Weida and being a vendor of WIISB, WRSB, WHSB. WHSB is the vendor of Weidaya, WMSB, WETSB and Saruwas
AISB	Substantial shareholder of Weida and being a vendor of WIISB, WRSB, WHSB. WHSB is the vendor of Weidaya, WMSB, WETSB and Saruwas
Tiara Senja Sdn Bhd	Substantial shareholder of Weida and being a vendor of WIISB, WRSB, WHSB. WHSB is the vendor of Weidaya, WMSB, WETSB and Saruwas
Lee Choon Chin	Director of WIISB, WRSB, WHSB, Weidaya, WMSB, WETSB and Saruwas. He is also a director and a substantial shareholder of Weida and being a director and substantial shareholder of Weida Management Sdn Bhd which is a vendor of WIISB, WRSB and WHSB. WHSB is the vendor of WETSB, WMSB, Weidaya and Saruwas
Liew Kee Moi	Substantial shareholder of Weida and being a substantial shareholder of Weida Management Sdn Bhd, which is a vendor of WIISB, WRSB and WHSB. WHSB is the vendor of WETSB, WMSB, Weidaya and Saruwas

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

---

**9. CONFLICT OF INTEREST / RELATED PARTIES TRANSACTION (Cont'd)**


---

The interest of directors of the Company in the aforesaid transactions are as follows:-

<b>Name</b>	<b>Nature of Interest</b>
Lee Choon Chin	Director of WIISB, WRSB , WHSB, Weidaya, WMSB, WETSB and Saruwas. He is also a substantial shareholder and a director of Weida and being a director and a substantial shareholder of Weida Management Sdn Bhd, which is a vendor of WIISB, WRSB and WHSB. WHSB is the vendor of WETSB, WMSB, Saruwas and Weidaya
Jee Hon Chong	Director of WIISB and WETSB. He is also a director of Weida and a director and a substantial shareholder of Weida Management Sdn Bhd, which is the vendor of WIISB, WRSB and WHSB. WHSB is the vendor of WETSB, WMSB, Saruwas and Weidaya
Yong Lin Lin	Director of WIISB, WRSB and WMSB. He is also director of Weida and a director and a substantial shareholder of Weida Management Sdn Bhd, which is the vendor of WIISB, WRSB and WHSB. WHSB is the vendor of WETSB, WMSB, Saruwas and Weidaya
Ahmad Tarmizi bin Sulaiman	Director of Weida and WHSB which is the vendor of WETSB, WMSB, Saruwas and Weidaya

### 9.3 Interest in similar business

Save as disclosed hereunder, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business or company carrying on a similar trade as the Company or any of its subsidiary companies:-

<b>Name of Directors/substantial shareholders of Weida</b>	<b>Name of Company</b>	<b>Nature of Business</b>	<b>Nature of interest</b>
Lee Choon Chin	Comstem Industries Sdn Bhd ("CISB")	Manufacturing of UPVC pipes and water hose	Director and substantial shareholder of CISB
Zainal Abidin bin Ahmad	Sarawak Concrete Industries Berhad ("SCIB")	Manufacturing of precast concrete pipes, prestressed spun concrete piles and other related concrete products	Managing director and substantial shareholder of SCIB
Ahmad Tarmizi bin Sulaiman	SCIB	Manufacturing of precast concrete pipes, prestressed spun concrete piles and other related concrete products	Director of SCIB
Datu Voon Chen Hian @ Voon Chen Kok	SCIB	Manufacturing of precast concrete pipes, prestressed spun concrete piles and other related concrete products	Director of SCIB



**9. CONFLICT OF INTEREST / RELATED PARTIES TRANSACTION (Cont'd)**

Lee Choon Chin, a director of Weida, is also a director and shareholder of CISB. CISB is principally engaged in the manufacturing of UPVC pipes and water hose. The products manufactured by CISB are mainly targetted for household usage, thus serving different market segments from Weida Group. CISB's business does not give rise to any intra-group competition or any material conflict of interest with Weida Group's business.

Zainal Abidin bin Ahmad and Ahmad Tarmizi bin Sulaiman, both directors of Weida, are also the managing director and director of SCIB respectively. Additionally, Zainal Abidin bin Ahmad is a substantial shareholder of SCIB. The products manufactured by SCIB are concrete base products catering principally for infrastructure projects and thus serves different market segments from Weida Group. As such, SCIB's business does not give rise to any material conflict of interest with Weida Group's business.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## 10. FINANCIAL INFORMATION

### 10.1 Consolidated Profit Records

The table below sets out a summary of the proforma consolidated income statements of Weida Group for the five (5) financial years ended 31 March 1995 to 2000 and three (3) month period ended 30 June 2000 and are provided for illustrative purposes based on the audited account of its subsidiary companies, prepared on the assumption that the current group structure has been in existence throughout the period under review:-

	←-----Financial Years Ended 31 March -----→					Three (3) month period ended 30 June 2000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	RM'000
Revenue	20,568	34,923	39,293	42,268	58,053	14,622
Other operating income	23	87	308	2,503	202	231
Changes in inventories and work-in-progress	832	197	2,821	982	2,429	1,273
Raw materials and consumables used	(3,622)	(5,302)	(14,952)	(13,629)	(17,624)	(4,159)
Purchase of finished goods	(7,671)	(12,187)	(7,323)	(4,712)	(8,591)	(3,772)
Work performed and capitalised	-	-	-	(244)	711	887
Staff cost	(1,443)	(2,605)	(4,758)	(4,841)	(6,966)	(2,028)
Depreciation	(477)	(702)	(2,002)	(2,734)	(3,263)	(842)
Other operating expenses	(2,777)	(3,947)	(7,418)	(9,760)	(14,442)	(3,933)
Profit from operations	5,433	10,464	5,969	9,833	10,509	2,279
Finance cost	(93)	(317)	(1,205)	(1,903)	(1,857)	(424)
PBT	5,340	10,147	4,764	7,930	8,652	1,855
Less: Tax	(1,325)	(2,807)	(1,347)	(372)	(1,218)	(392)
PAT	4,015	7,340	3,417	7,558	7,434	1,463
EI	-	-	-	-	-	-
PAT after EI	4,015	7,340	3,417	7,558	7,434	1,463
MI	-	(39)	51	(21)	(327)	(15)
PAT after EI and MI	4,015	7,301	3,468	7,537	7,107	1,448
No of ordinary shares assumed in issue ('000)*	22,993	22,993	22,993	22,993	22,993	22,993
Gross EPS (sen)	23.22	44.13	20.72	34.49	37.63	32.27**
Net EPS (sen)	17.46	31.75	15.08	32.78	30.91	25.19**
Fully diluted gross EPS ***(sen)	13.35	25.37	11.91	19.83	21.63	18.55**
Fully diluted net EPS*** (sen)	10.04	18.25	8.67	18.84	17.77	14.48**
Gross dividend rate (%)	-	-	-	-	-	-

**10. FINANCIAL INFORMATION (Cont'd)**

- \* *The assumed issued and paid-up share capital of RM22.993 million is based on the issued and paid-up share capital after the Acquisitions but before the Allotment of Shares, Rights Issue and Public Issue.*
- \*\* *Annualised.*
- \*\*\* *Based on Weida's enlarged issued and paid-up share capital of RM40 million after Public Issue*

**Notes:-**

- a) *The above results are arrived at after making adjustments for inter-company transactions;*
- b) *The proforma consolidated income statement have been prepared based on accounting policies consistent with those previously adopted in the preparation of the audited income statements of subsidiary companies;*
- c) *The tax charges have been arrived at after adjusting for over and under provision for tax to the respective financial years for which the tax charges were agreed with the tax authorities;*
- d) *The gross EPS has been calculated based on the PBT divided by the 22.993 million ordinary shares assumed to be in issue.*
- e) *The net EPS has been calculated based on the PAT after MI and EI divided by the 22.993 million ordinary shares assumed to be in issue.*
- f) *As WRSB has a different financial year end, the audited revenue and PBT of this company for the years ended 30 June were time apportioned to arrive at the consolidated revenue and PBT for the year ended 31 March.*
- g) *Growth in PBT is in line with the increase in revenue except for the financial year ended 31 March 1998 when profits declined mainly due to the increase in imported raw material cost as a result of depreciation of the Ringgit Malaysia against US Dollars, increase in financing cost and depreciation as a result of expansion undertaken in late 1997 and increase in interest rates, higher start up cost at the newly set up Nilai operation as well as more competitive pricing during the recession*
- h) *There were no audit qualification throughout the profit record period*

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**10. FINANCIAL INFORMATION (Cont'd)****10.2 Segmental Analysis of Consolidated Revenue and PBT****(i) Analysis of Turnover**

Analysis by companies	←-----Financial Years Ended 31 March ----->					Three (3) month period ended 30 June 2000 RM'000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	
WIISB	9,596	13,457	23,254	26,659	31,674	7,900
WRSB	20,569	33,471	30,855	28,747	35,367	9,393
WHSB	-	481	1,603	2,286	8,187	2,695
Saruwas	-	-	-	287	667	165
Weidaya	-	1,452	4,147	3,081	4,457	1,347
WMSB	-	-	2,335	6,133	9,840	1,471
WETSB	-	-	376	2,010	2,415	339
Consolidated Adjustment	(9,597)	(13,938)	(23,277)	(26,935)	(34,554)	(8,688)
	20,568	34,923	39,293	42,268	58,053	14,622

Analysis by geographical location	←-----Financial Years Ended 31 March ----->					Three (3) month period ended 30 June 2000 RM'000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	
Sarawak	18,088	25,704	27,515	22,501	32,299	9,423
Sabah	2,158	9,073	9,444	12,924	15,131	3,725
Peninsula Malaysia	322	146	2,334	6,843	10,623	1,474
	20,568	34,923	39,293	42,268	58,053	14,622

**10. FINANCIAL INFORMATION (Cont'd)****(ii) Analysis of PBT**

Analysis by companies	←—————Financial Years Ended 31 March—————→					Three (3) month period ended 30 June 2000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2000 RM'000
Weida	-	-	-	-	(49)	(28)
WHSB	3,893	4,768	2,144	4,925	3,938	951
WRSB	1,449	5,192	2,491	2,996	3,142	748
WHSB	-	3	60	1	178	139
Saruwas	-	-	-	(160)	439	61
Weidaya	-	184	328	280	748	250
WMSB	-	-	(148)	32	107	(137)
WETSB	-	-	(111)	(144)	149	25
Consolidated Adjustment	(2)	-	-	-	-	(154)
	5,340	10,147	4,764	7,930	8,652	1,855

Overview of the revenue and profits for the five (5) financial years ended 31 March 2000 and the three (3) month period ended 30 June 2000 is in the Accountants' Report, which is set out in Section 13 of this Prospectus.

**(iii) Impact of foreign exchange on operating profits**

The impact of foreign exchange on operating profits is minimal to the Group under the present capital control regime. However, even if the capital control is lifted in future, the Group will hedge its foreign currency commitments to minimise its foreign currency exposure.

**(iv) Impact of raw material prices on operating profits**

Raw material prices are influenced by the prices of crude oil. At present, the materials, namely, resins are readily available from petro chemical companies locally as well as overseas. Based on the historical price trend and the prevailing market prices, the Directors do not foresee significant changes in the raw material prices which would adversely effect the profitability of the Group

**(v) Impact of interest rate on operating profits**

Impact of interest rates on operating profits is minimal as Weida Group has very low gearing level for the five (5) financial years ended 31 March 2000 and the three (3) month period ended 30 June 2000. The interest cover as compared to operating profit before depreciation, interest and taxation ranges from 6.60 to 63.55 times.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

---

**10. FINANCIAL INFORMATION (Cont'd)**

---

**10.3 Working Capital, Borrowings and Contingent Liabilities**

**10.3.1 Working Capital**

The Directors of the Company are of the opinion that after taking into consideration the cashflow forecast including the proceeds from the Public Issue and banking facilities available, the Weida Group will have adequate working capital for its present and foreseeable future requirements.

**10.3.2 Borrowings**

As at 15 December 2000, (being the last practical date prior to the printing of this Prospectus) the Group's total interest bearing bank borrowings amounted to approximately RM5.172 million comprising term loans, overdraft and other banking facilities of which RM1.259 million and RM3.913 million are short term and long term respectively. Save as disclosed above, the Group does not have any other capital outstanding or loan capital created but unissued or mortgages or charges outstanding on that date.

**10.3.3 Contingent Liabilities and Capital Commitments**

As at 15 December 2000, (being the last practical date prior to the printing of this Prospectus) the Company and its subsidiary companies have no contingent liabilities and capital commitments.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**10. FINANCIAL INFORMATION (Cont'd)****10.4 Consolidated Profit Forecast and Assumptions**

The Directors of Weida forecast that, in the absence of unforeseen circumstances, the consolidated PAT and MI of Weida Group, for the year ending 31 March 2001 after the Public Issue as mentioned in paragraph 3 below will be as follows:-

	Aggregated RM'000	Pre- acquisition RM'000	Consolidated RM'000
Revenue	65,981	3,101	62,880
PBT Before MI	11,019	1,387	9,632
Less: Tax	(2,291)	(412)	(1,879)
PAT Before MI	8,728	975	7,753
Less: MI	(873)	(437)	(436)
PAT After MI	7,855	538	7,317
Weighted Average Number of Ordinary Shares in Issue ('000)*			30,686
Net EPS (sen)			23.84
Price Earning Multiple Based on the Issue Price of RM2.15 per Share (times)			9.02
Enlarged Number of Ordinary Shares in Issue ('000)			40,000
Fully diluted net EPS (sen)			18.29
Fully diluted Price Earning Multiple Based on the Issue Price of RM2.15 per Share (times)			11.76

\* *The EPS has been calculated based on the consolidated PAT after MI of RM7,317,000 and the weighted average number of Shares in issue during the financial year ending 31 March 2001, on the basis that the Public Issue will be completed in February 2001.*

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**10. FINANCIAL INFORMATION (Cont'd)**

In prior years, the accounting policy of the companies within the Weida Group in respect of land and buildings was to state such assets at cost less accumulated depreciation. With effect from financial year ending 31 March 2001, the Weida Group proposes to change this accounting policy and adopt a policy of stating its land and buildings at valuation performed by external independent valuers at five yearly intervals, less any subsequent accumulated depreciation.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same assets are charged against the revaluation reserve; all other decreases are charged to the income statement.

Weida to undertake the following transaction (Approval of the Securities Commission was obtained on 24 July 2000):-

- Public Issue of 6,100,000 new ordinary shares of RM1.00 each in Weida at an issue price of RM2.15 per share.

The principal bases and assumptions upon which the consolidated profit forecast have been made are set out below:-

- (a) Proceeds from the Proposed Public Issue of RM13,115,000 will be received in February 2001.
- (b) There will be no significant changes in the group structure of the Weida Group during the forecast period.
- (c) There will be no significant changes in present legislation, Government regulations, taxes, duties or levies which will adversely affect the activities of the Weida Group or the markets in which it operates.
- (d) There will be no significant changes in the prevailing economic and political conditions in Malaysia and elsewhere which will adversely affect the activities or performance of the Weida Group.
- (e) There will be no significant changes in the principal activities, accounting policies, management and operating policies of the Weida Group.
- (f) There will be no major breakdown or disruptions in the manufacturing process, industrial disputes or any abnormal factors, both domestic and overseas, which will adversely affect the activities or performance of the Weida Group.
- (g) The rate of inflation will not vary significantly from the current level.
- (h) There will be no significant fluctuations in foreign currency exchange rates assumed in the forecast. The principal rate used in the forecast is as follows:-

USD 1 : RM3.80

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**



**10. FINANCIAL INFORMATION (Cont'd)**

- (i) Average selling prices of the Weida Group's major products will not significantly vary from the forecast level.
- (j) There will be adequate and undisrupted supply of resins for the Weida Group's manufacturing activities at the following price range:-
- |        | RM/kg              |
|--------|--------------------|
| Resins | <u>2.89 - 4.05</u> |
- (k) There will be no significant fluctuations in the cost of materials, labour and wages and other operating costs.
- (l) The values of the turnkey projects and the costs associated with the turnkey projects will be in line with the forecast level.
- (m) There will be no delays in the implementation and completion of the various projects and contracts awarded to the Weida Group.
- (n) Demand for the products of the Weida Group will be in line with forecast level.
- (o) Significant trade transactions within the Weida Group are based on the prices agreed between the parties concerned.
- (p) There will be no significant changes in the level of capital expenditure other than the planned increase in line with the expansion of the business operations.
- (q) Existing and additional financing facilities will be available over the forecast period at the prevailing interest rates.

Based on the prevailing outlook of the various industries Weida products are serving, the diversity of the Group's products which is enhanced by a strong R&D department, wide clientele base, strategic alliances with the State Government, low level of gearing in the Group and sufficient level of liquidity and working-capital requirements, the directors are of the opinion that the abovementioned profit forecast is achievable.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**10. FINANCIAL INFORMATION (Cont'd)**

**10.5 Auditors Letter On The Consolidated Profit Forecast**  
*(Prepared for inclusion in this Prospectus)*

**PRICEWATERHOUSECOOPERS** 

19 December 2000

The Board of Directors  
Weida (M) Bhd.  
187, Lorong Datuk Abang Abdul Rahim 7  
93450 Kuching  
Sarawak

PricewaterhouseCoopers  
(AF 1146)  
Public Accountants  
9th Floor Bangunan BINAMAS  
Jalan Padungan  
P O Box 2864  
93756 Kuching, Sarawak, Malaysia  
Telephone +60 (82) 413 957/413 958  
Facsimile +60 (82) 412 644

Dear Sirs

**CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 MARCH 2001**

We have reviewed the accounting policies and calculations for the consolidated profit forecast of Weida (M) Bhd. and its subsidiary companies (the 'Weida Group'), for which the Directors are solely responsible, for the year ending 31 March 2001 as set out in the Prospectus to be dated 26 December 2000 in connection with the public issue of 6,100,000 new ordinary shares of RM1.00 each in Weida (M) Bhd. at an issue price of RM2.15 per share and the listing of and quotation for the entire enlarged issued and paid-up share capital of Weida (M) Bhd. comprising 40,000,000 ordinary shares of RM1.00 each on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the Directors as set out in the Prospectus and is presented on a basis consistent with the accounting policies normally adopted by the Weida Group except for the adoption of a new accounting policy on land and buildings as set out in the Prospectus.

Yours faithfully



PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Public Accountants



YAP KIM SWEE  
(No. 1654/10/02 (J))  
Partner of the firm

**10. FINANCIAL INFORMATION (Cont'd)****10.6 Dividend Forecast and Policy**

Weida intends to pursue a dividend policy in line with its profitability, which would allow its shareholders to participate in the profits of the Group as well as leaving adequate reserves for its future growth and expansion.

Based on the Group's consolidated profit forecast for the financial year ending 31 March 2001 on the assumption that the current basis for calculating tax and the rates of tax will remain unchanged, the Directors of Weida anticipate that the Company would be in a position to propose a gross dividend of 5% for the financial year ending 31 March 2001 based on the issued and paid-up share capital of 40,000,000 shares of RM1.00 each.

The intended appropriation of the consolidated forecast profit for the year ending 31 March 2001 are as follows:-

	Aggregated RM'000	Pre-acquisition RM'000	Consolidated RM'000
Revenue	65,981	3,101	62,880
PBT Before MI	11,019	1,387	9,632
Less: Tax	(2,291)	(412)	(1,879)
PAT Before MI	8,728	975	7,753
Less: MI	(873)	(437)	(436)
PAT After MI	7,855	538	7,317
Less: Proposed Net Dividend			(1,440)
Retained Profits for the year to be Carried Forward			5,877
Net Dividend of 3.6% Based on the Enlarged Share Capital of RM40,000,000			1,440
Gross Dividend Yield (based on the Public Issue price of RM2.15 per Share) (%)			2.33
Net dividend Yield (based on the Public Issue price of RM2.15 per Share) (%)			1.67
Net Dividend Cover (times)			5.08

Notwithstanding the above, the Directors have full discretion not to propose any future dividend payments as and when deemed necessary, if it is in the best interests of the Company.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**10. FINANCIAL INFORMATION (Cont'd)****10.7 Proforma Consolidated Balance Sheets As at 30 June 2000**

The Proforma Consolidated Balance Sheets of Weida (M) Bhd ("Weida") as set out below have been prepared for illustrative purposes only to show the effects of the Allotment of Shares, Acquisitions, Rights Issue and Public Issue on the assumption that these transactions were completed on 30 June 2000:-

	<b>Audited Balance Sheets as at 30.6.2000 RM'000</b>	<b>Proforma I After Allotment of Shares and Acquisitions RM'000</b>	<b>Proforma II After Proforma I and Rights Issue RM'000</b>	<b>Proforma III After Proforma II and Public Issue RM'000</b>
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	-	40,799	40,799	47,199
Investment in associated company	-	40	40	40
	<u>-</u>	<u>40,839</u>	<u>40,839</u>	<u>47,239</u>
<b>INTANGIBLE ASSETS</b>				
Goodwill on consolidation	-	155	155	155
Deferred expenditure				
- share issue expenses	385	385	385	-
	<u>385</u>	<u>540</u>	<u>540</u>	<u>155</u>
<b>CURRENT ASSETS</b>				
Inventories and work-in-progress	-	12,645	12,645	12,645
Properties held for resale	-	416	416	416
Contract work-in-progress	-	2,982	2,982	2,982
Debtors, deposits and prepayments	11	17,045	17,045	17,045
Deposits, bank and cash balances	*	8,378	10,155	15,670
	<u>11</u>	<u>41,466</u>	<u>43,243</u>	<u>48,758</u>
<b>CURRENT LIABILITIES</b>				
Provision for liabilities	-	400	400	400
Creditors and accruals	473	15,032	11,737	11,352
Tax	-	3,239	3,239	3,239
Dividend payable	-	4,000	4,000	4,000
Borrowings	-	7,955	7,018	7,018
Bank overdrafts	-	5,316	5,316	5,316
	<u>473</u>	<u>35,942</u>	<u>31,710</u>	<u>31,325</u>
Net current (liabilities)/assets	<u>(462)</u>	<u>5,524</u>	<u>11,533</u>	<u>17,433</u>
	<u>(77)</u>	<u>46,903</u>	<u>52,912</u>	<u>64,827</u>

**10. FINANCIAL INFORMATION (Cont'd)**

	Audited Balance Sheets as at 30.6.2000 RM'000	Proforma I After Allotment of shares and Acquisitions RM'000	Proforma II After Proforma I and Rights Issue RM'000	Proforma III After Proforma II and Public Issue RM'000
<b>CAPITAL AND RESERVES</b>				
Share capital	* -	24,193	33,900	40,000
Share premium	-	150	635	6,760
Revaluation and other reserves	-	8,190	8,190	8,190
(Accumulated loss)/retained earnings	(77)	22,189	22,189	21,879
Merger deficit	-	(16,983)	(16,983)	(16,983)
	(77)	37,739	47,931	59,846
MI	-	893	893	893
	(77)	38,632	48,824	60,739
<b>NON CURRENT LIABILITIES</b>				
Deferred tax	-	564	564	564
Borrowings	-	7,707	3,524	3,524
	-	8,271	4,088	4,088
	(77)	46,903	52,912	64,827
NTA	(462)	37,199	47,391	59,691
Net tangible (liabilities)/assets per share (RM)	(231,000)	1.54	1.40	1.49

\* RM2.00

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--

---

**10. FINANCIAL INFORMATION (Cont'd)**


---

The Proforma Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

**NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS**
**1. Basis of preparation**

- 1.1 The Proforma Consolidated Balance Sheets have been prepared based on the accounting policies and bases consistent with those adopted by the Weida Group in the preparation of audited financial statements except for the proposed change in accounting policy in respect of land and buildings.

In prior years, the accounting policy of the companies within the Weida Group in respect of land and buildings was to state such assets at cost less accumulated depreciation. With effect from financial year ending 31 March 2001, the Weida Group proposes to change this accounting policy and adopt a policy of stating its land and buildings at valuation performed by external independent valuers at five yearly intervals, less any subsequent accumulated depreciation.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same assets are charged against the revaluation reserve; all other decreases are charged to the income statement.

- 1.2 The financial statements of a subsidiary company, Weida Resources Sdn Bhd, which have been consolidated are extracted from its audited financial statements for the financial year ended 30 June 2000. The financial statements of the other subsidiary companies, which have been consolidated, are extracted from their audited financial statements for the three (3) month period ended 30 June 2000.
- 1.3 The Proforma Consolidated Balance Sheets incorporate on a proforma basis, the following transactions as though they were effected as at 30 June 2000:-

***Proforma I***

Proforma I incorporates the effects of the following:-

- (a) Allotment of 1,199,998 new ordinary shares of RM1.00 each in Weida to the existing shareholders at RM1.00 per share on 23 October 2000; and
- (b) Acquisitions of the following subsidiary companies on 23 October 2000:-
- (i) acquisition of the entire issued and paid-up share capital in Weida Integrated Industries Sdn Bhd ("WIISB") after incorporating the revaluation of land and buildings of WIISB, for a purchase consideration of RM21,471,768 to be satisfied by the issue of 14,808,116 new ordinary shares of RM1.00 each in Weida at RM1.45 per share;
- (ii) acquisition of the entire issued and paid-up share capital of Weida Resources Sdn Bhd for a purchase consideration of RM11,314,780 to be satisfied by the issue of 7,803,297 new ordinary shares of RM1.00 each in Weida at RM1.45 per share;

**10. FINANCIAL INFORMATION (Cont'd)**

- (iii) acquisition of the entire issued and paid-up share capital of Weida Holdings Sdn Bhd for a purchase consideration of RM553,367 to be satisfied by the issue of 381,632 new ordinary shares of RM1.00 each in Weida at RM1.45 per share;
- (iv) acquisition of 51% of the issued and paid-up share capital of Weida Marketing Sdn Bhd for a cash consideration of RM255,000;
- (v) acquisition of 70% of the issued and paid-up share capital of Weidaya Sdn Bhd for a cash consideration of RM350,000;
- (vi) acquisition of 51% of the issued and paid-up share capital of Weida Environmental Technology Sdn Bhd for a cash consideration of RM51,000;
- (vii) acquisition of 51% of the issued and paid-up share capital of Saruwas Sdn Bhd for a cash consideration of RM102,000.

Pursuant to the relief given under Section 60(4) of the Companies Act, 1965, the share premium arising from the issue of 22,993,045 new ordinary shares of RM1.00 each for the acquisitions of the three subsidiary companies mentioned in (i), (ii) and (iii) above have not been recorded. The financial statements of these subsidiary companies have been consolidated in accordance with the principles of merger accounting as stated in Malaysian Accounting Standard No. 2.

The financial statements of the subsidiary companies mentioned in (iv), (v), (vi) and (vii) above have been consolidated using the acquisition method of accounting.

The proceeds from the Allotment of shares will be utilised as follows:-

	<b>RM'000</b>
Acquisitions of subsidiary companies (paragraph (b)(iv) to (b)(vii))	758
Working capital	442
	<u>1,200</u>

***Proforma II***

Proforma II incorporates the effects of completion of Proforma I and the Rights Issue of 9,706,955 new ordinary shares of RM1.00 each in Weida on the basis of approximately forty (40) new ordinary shares for every one hundred (100) existing ordinary shares held at an issue price of RM1.05 per share on 25 October 2000.

The proceeds from the Rights Issue will be utilised as follows:-

	<b>RM'000</b>
Repayment of term loan	5,120
Repayment of amounts due to directors	3,295
Working capital	1,777
	<u>10,192</u>

**10. FINANCIAL INFORMATION (Cont'd)*****Proforma III***

Proforma III incorporates the effects of completion of Proforma II and the Public Issue of 6,100,000 new ordinary shares of RM1.00 each in Weida at a proposed issue price of RM2.15 per share.

The proceeds from the Public Issue will be utilised as follows:-

	RM'000
Construction of office buildings, showroom and acquisition of machinery	6,400
Estimated share issue and listing expenses	1,200
Working capital	5,515
	<u>13,115</u>

2. Movements in share capital, share premium, revaluation reserve, reserve on consolidation, retained earnings and goodwill on consolidation of Weida are as follows:-

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Retained earnings RM'000	Goodwill on consolidation RM'000
As at 30 June 2000	* -	-	-	-	(77)	-
Allotment of Shares	1,200	-	-	-	-	-
Acquisitions	22,993	150	7,140	1,050	22,266	(155)
As shown in Proforma I	24,193	150	7,140	1,050	22,189	(155)
Rights Issue	9,707	485	-	-	-	-
As shown in Proforma II	33,900	635	7,140	1,050	22,189	(155)
Public Issue	6,100	7,015	-	-	-	-
Estimated share issue and listing expenses	-	(890)	-	-	(310)	-
As shown in Proforma III	40,000	6,760	7,140	1,050	21,879	(155)

\* RM2.00

3. Merger deficit

	<b>Proforma I/II/III</b>
	<b>RM'000</b>
Nominal value of shares to be acquired	6,010
Nominal value of shares to be issued	(22,993)
Merger deficit	<u>(16,983)</u>



10. FINANCIAL INFORMATION (Cont'd)

10.8 Auditors Letter On The Proforma Consolidated Balance Sheets  
(Prepared for inclusion in this Prospectus)

PRICEWATERHOUSECOOPERS 

19 December 2000

The Board of Directors  
Weida (M) Bhd.  
187, Lorong Datuk Abang Abdul Rahim 7  
93450 Kuching  
Sarawak

PricewaterhouseCoopers  
(AF 1146)  
Public Accountants  
9th Floor Bangunan BINAMAS  
Jalan Padungan  
P O Box 2864  
93756 Kuching, Sarawak, Malaysia  
Telephone +60 (82) 413 957/413 958  
Facsimile +60 (82) 412 644

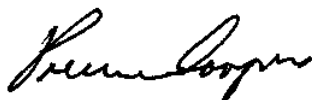
Dear Sirs

**PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2000**

We have reviewed the Proforma Consolidated Balance Sheets of Weida (M) Bhd. and its subsidiary companies (the 'Weida Group') as at 30 June 2000, together with the notes thereon, for which the Directors of Weida (M) Bhd. are solely responsible, as set out in the Prospectus to be dated 26 December 2000 in connection with the public issue of 6,100,000 new ordinary shares of RM1.00 each in Weida (M) Bhd. at an issue price of RM2.15 per share and the listing of and quotation for the entire enlarged issued and paid-up share capital of Weida (M) Bhd. comprising 40,000,000 ordinary shares of RM1.00 each on the Second Board of the Kuala Lumpur Stock Exchange.

Based on the results of our review, we confirm that the Proforma Consolidated Balance Sheets of Weida (M) Bhd. as at 30 June 2000, which are provided for illustrative purposes only, have been properly compiled on the basis set out in the notes to the Proforma Consolidated Balance Sheets.

Yours faithfully



PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Public Accountants



YAP KIM SWEE  
(No. 1654/10/02 (J))  
Partner of the firm

**11. DIRECTOR'S REPORT**

**WEIDA (M) BHD** 504747-W  
186-188 Lorong Datuk Abang Abdul Rahim 7  
P. O. Box 2424, 93748 Kuching, Sarawak, Malaysia  
Tel: 082-486 684 Fax: 082-486 686  
E-mail: weida@po.jaring.my



Date: 19 December 2000

The Shareholders of  
Weida (M) Berhad  
No. 187, Lorong Datuk Abang Abdul Rahim 7  
93450 Kuching

Dear Sir/Madam

On behalf of the Board of Directors of Weida (M) Berhad, I report after due inquiry that during the period from 30 June 2000 being a date to which the last audited account of the Company and its subsidiary companies have been made up to the date hereof, being a date not earlier than fourteen (14) days before the issue of this Prospectus that :-

- (a) the business of the Company and its subsidiary companies has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last account of the Company and its subsidiary companies, which have adversely affected the trading, or the value of the assets of the Company or its subsidiaries;
- (c) the current assets of the Company and its subsidiary companies appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Company or any of its subsidiary companies; and
- (e) since the last audited accounts of the Company and its subsidiary companies save as disclosed in the Accountants' Report as set out in Section 13 of this Prospectus, there have been no changes in published reserve nor any unusual factors affecting the profits of the Company and its subsidiary companies.

Yours faithfully  
On behalf of the Board of Directors of  
**Weida (M) Berhad**

**LEE CHOON CHIN**  
Managing Director

---

**12. VALUATION CERTIFICATE**  
(Prepared for inclusion in this Prospectus)

---



No. 25, Jalan Yap Ah Shak, Off Jalan Dang Wangi, 50300 Kuala Lumpur, Malaysia.  
Fax: 03-26925771 (Marketing), 03-26943484 (Valuation), 03-26941261 (Agency), 03-26945543 (Admin)  
Tel: 03-26942212 Email: hblmal@po.jaring.my Website: www.henrybutchermalaysia.com

INTERNATIONAL, REAL ESTATE AND PLANT & MACHINERY  
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,  
PROJECT AND PROPERTY MANAGERS.

Our Ref: V/B09-99/1064

Date: 19 December 2000

Board of Directors  
Weida (M) Berhad  
187 Lorong Datuk Abang Abdul Rahim 7  
93450 Kuching  
Sarawak

Dear Sirs,

**VALUATION OF PROPERTY BELONGING TO WEIDA (M) BERHAD ("WEIDA") AND ITS SUBSIDIARIES:-**

- **LOT 109, JALAN AM2, ARAB MALAYSIAN INDUSTRIAL PARK, 71800 NILAI, NEGERI SEMBILAN HELD UNDER TITLE AND LOT NO. HS(D) 110944, PT 16770, MUKIM OF SETUL, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN DARUL KHURSUS**

---

This Certificate has been prepared for inclusion in the Prospectus of Weida to be dated 26 December 2000 issued in connection with the public issue of 6,100,000 new ordinary shares of RM1.00 each at the issue price of RM2.15 per ordinary share and the listing of and quotation for the entire issued and paid-up share capital of Weida on the Second Board of Kuala Lumpur Stock Exchange.

In accordance with your instructions, we have assessed the Market Value of the landed property set out below in conjunction with the restructuring and listing of Weida on the Second Board of the Kuala Lumpur Stock Exchange. The details of the aforesaid valuation are set out by our valuation report stated 31 January 2000 under reference V/B09-99/1064. The valuation report has been prepared based on the Guidelines on Asset Valuation for submission to the Securities Commission and professional standards prescribed by the Board of Valuers, Appraisers & Estate Agents and other professional bodies.

The term "Market Value" is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeable, prudently and without compulsion.

Information and data of the abovementioned valuation were obtained from various sources, which include the Registry of Land Titles, the Valuation and Property Services Department, enquiries made on the field and information from the client.

THE INTERNATIONAL NETWORK

• Hong Kong • Singapore • Manila • London • Birmingham • Leeds • Bristol • Cardiff • Edinburgh • Glasgow • Aberdeen  
• Dublin • Belfast • Leicester • Southampton • Warsaw • Associates throughout Europe Australasia, North and South America

**12. VALUATION CERTIFICATE (Cont'd)**

The summary of valuation of the landed property is as follows:-

**PROPERTY HELD UNDER OWNER OCCUPATION**

Property	Registered Owner	Land Area (Built-up Area) (Sq. Metre)	Description	Tenure	Approx. age of Building (year)	Market valuation (RM)	Method of valuation	Date of valuation
Lot 109, Jalan AM2, Arab-Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan held under Title and Lot No. HS(D) 110944, PT 16770, Mukim of Setul, District of Seremban (Our Ref: V/B09-99/1064)	Weida Integrated Industries Sdn. Bhd.	12,311.5 m <sup>2</sup>  (3 storey office building & Factory building – 3,491.99m <sup>2</sup> )	Industrial land erected with several industrial buildings	Freehold	4 years	4,000,000	Comparison	31.1.2000

We certify that in our opinion, the Market Value of the existing use of the above property using the valuation method stated above amount to Ringgit Malaysia Four Million (RM4,000,000) only.

Yours faithfully,  
**HENRY BUTCHER, LIM & LONG SDN. BHD.**

**FAHARIAH ABDUL WAHAB**  
Bachelor of Surveying (Property Management)  
Registered Valuer (V-402)

12. VALUATION CERTIFICATE (Cont'd)



**HENRY BUTCHER,** 236250X, VE(1)0079/3

Lim, Long & Chieng (Sarawak) Sdn. Bhd.

290, 1st Floor, Jalan Datuk Wee Kheng Chia, 93450 Kuching, Sarawak, Malaysia.  
Tel: 082-423300, 231037, 231032 Fax: 082-231036

**INTERNATIONAL REAL ESTATE AND PLANT & MACHINERY  
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,  
PROJECT AND PROPERTY MANAGERS.**

Our Ref : HB/KCH/L2000/048/V2098/mc

Date: 19 December 2000

Board of Directors  
Weida (M) Berhad  
187, Lorong Datuk Abang Abdul Rahim 7,  
93450 Kuching,

Dear Sirs,

**VALUATION OF PROPERTY BELONGING TO WEIDA (M) BERHAD ("WEIDA")  
AND ITS SUBSIDIARIES: -**

**• LOT 472 BLOCK 8 MUARA TEBAS LAND DISTRICT**

This Certificate has been prepared for inclusion in the Prospectus of Weida (M) Bhd. to be dated 26 December 2000 issued in connection with the public issue of 6,100,000 new ordinary shares of RM1.00 each at the issue price of RM2.15 per ordinary share and the listing of and quotation for the entire issued and paid-up share capital of Weida on the Second Board of Kuala Lumpur Stock Exchange.

In accordance with your instruction, we have assessed the Market Value of the landed property set out below in conjunction with the restructuring and listing of Weida on the Second Board of the Kuala Lumpur Stock Exchange. The details of the aforesaid valuation are set out in our valuation report dated 31<sup>st</sup> January 2000 under reference HB/KCH/A99/V2098/W127. The valuation report has been prepared based on the Guidelines on Asset Valuation for submission to the Securities Commission and professional standards prescribed by the Board of Valuers, Appraisers & Estate Agents and other professional bodies.

The term "Market Value" is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeable, prudently and without compulsion.

Information and data of the above mentioned valuation were obtained from various sources, which include the Registry of Land Titles, the Valuation and Property Services Department, enquiries made on the field and information from the client.

**THE INTERNATIONAL NETWORK**

• Hong Kong • Singapore • Manila • London • Birmingham • Leeds • Leicester • Southampton • Bristol • Cardiff • Edinburgh  
• Glasgow • Aberdeen • Dublin • Belfast • Warsaw • Associates throughout Europe, Australasia, North and South America.

**12. VALUATION CERTIFICATE (Cont'd)**

The summary of valuation of the land property is as follows: -

**PROPERTY HELD UNDER OWNER OCCUPATION**

Property	Registered Owner	Land Area (Built-up Area) (sq. metres)	Description	Tenure	Approx. age of building (year)	Market Valuation (RM)	Method of Valuation	Date of Valuation
Lot 472 Block 8 Muara Tebas Land District (Our Ref: HB/KCH/A99/ V2098/W127)	Weida Integrated Industries Sdn. Bhd.	70,380.00 (9,207.22 excluding Block 3 which is under construction at the time of valuation)	Three blocks of factory buildings	Leasehold 58 years (Expiring 07/07/2058)	3 years	14,900,000	Comparison	31/01/2000

We certify that in our opinion the Market Value for the existing use of the above property using the valuation method stated above amount to **Ringgit Malaysia: Fourteen Million Nine Hundred Thousand (RM14,900,000) Only.**

Yours faithfully,

**HENRY BUTCHER, Lim, Long & Chieng (Sarawak) Sdn. Bhd.**

**CHIENG YU TANG**

B.Sc (Hons) (HBP), MIS(M)  
Registered Valuer (V361)

12. VALUATION CERTIFICATE (Cont'd)



**HENRY BUTCHER,**

Lim & Long (Sabah) Sdn. Bhd.  
(328470 P)

Suite 401, 4th Floor, EON CMG Life Building, No. 1, Jalan Sagunting, 88000 Kota Kinabalu,  
P. O. Box 13031, 88833 Kota Kinabalu, Sabah, Malaysia.  
Tel: 088-255000, 088-257000, 088-255500 Fax: 088-257333.  
E-mail: hblpaul@tm.net.my

INTERNATIONAL REAL ESTATE AND PLANT & MACHINERY  
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,  
PROJECT AND PROPERTY MANAGER  
[Firm Reg. No. VE (1) 0079]

Our Ref: HBL/SC/02/0012/A/1 & HBL/SC/02/0012/B/1

Date: 19 December 2000

Board of Directors  
Weida (M) Berhad  
187, Lorong Datuk Abang Abdul Rahim 7  
93450 Kuching, Sarawak

Dear Sirs

**VALUATION OF PROPERTIES BELONGING TO WEIDA (M) BERHAD  
("WEIDA") AND ITS SUBSIDIARIES:-**

- **LAND HELD UNDER CL 025336681, DISTRICT OF PAPAR, AND**
- **TWO LOTS OF VACANT INDUSTRIAL LAND HELD UNDER  
CL 025336672 AND CL 025336690, DISTRICT OF PAPAR**

This Certificate has been prepared for inclusion in the Prospectus of Weida to be dated 26 December 2000 issued in connection with the public issue of 6,100,000 new ordinary shares of RM1.00 each at the issue price of RM2.15 per ordinary share and the listing of and quotation for the entire issued and paid-up share capital of Weida on the Second Board of Kuala Lumpur Stock Exchange.

In accordance with your instructions, we have assessed the Market Value of the landed properties set out below in conjunction with the restructuring and listing of Weida on the Second Board of the Kuala Lumpur Stock Exchange. The details of the aforesaid valuation are set out in our valuation reports dated 31 January 2000 under references HBL/SC/02/0012/A and HBL/SC/02/0012/B. The valuation reports have been prepared based on the Guidelines on Asset Valuation for submission to the Securities Commission and professional standards prescribed by the Board of Valuers, Appraisers & Estate Agents and other professional bodies.

THE INTERNATIONAL NETWORK

\* Hong Kong \* Singapore \* Manila \* London \* Birmingham \* Leeds \* Bristol \* Cardiff \* Edinburgh \* Glasgow \* Aberdeen  
\* Dublin \* Belfast \* Leicester \* Southampton \* Warsaw \* Associates throughout Europe Australasia, North and South America

**12. VALUATION CERTIFICATE (Cont'd)**

Our Ref: HBLL/SC/02/0012/A/1 & HBLL/SC/02/0012/B/1

Date:

The term "Market Value" is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted acknowledgeable, prudently and without compulsion.

Information and data of the abovementioned valuation were obtained from various sources, which include the Registry of Land Titles, the Valuation and Property Services Department, enquiries made on the field and information from the client.

The summary of valuation of the landed properties is as follows:-

**PROPERTY HELD UNDER OWNER OCCUPATION**

Property	Registered Owner	Land Area (Built-up Area) (Sq. Metre)	Description	Tenure	Approx. age of Building (year)	Market Valuation (RM)	Method of Valuation	Date of Valuation
Land held under CL 025336681, District of Papar (Our Ref: HBLL/SC/02/0012/A)	Weida Integrated Industries Sdn Bhd	8704.4 To complete (1,994)	Office and Factory Buildings	Leasehold 60 years (Unexpired 43 years)	5 years	2,768,000	Comparison	31.1.2000
Two Lots of Vacant Industrial Lands Held Under CL 025336672 and CL 025336690, District of Papar (Our Ref: HBLL/SC/02/0012/B)	Weida Integrated Industries Sdn Bhd	7933.1 (NA)	Vacant Light Industrial Land	Leasehold 60 years (Unexpired 43 years)	-	1,309,000	Comparison	31.1.2000
<b>Total</b>						<b>4,077,000</b>		

We certify that in our opinion the total Market of the existing use of the above properties using the valuation methods stated above amount to Ringgit Malaysia: Four Million and Seventy Seven Thousand (RM4,077,000.00) only.

Yours faithfully

**HENRY BUTCHER, Lim & Long (Sabah) Sdn Bhd**

**JAMES LO THAU PHIN**  
B.Bus (Vle), MISM, MPEPS  
Registered Valuer (V-375)



## 13. ACCOUNTANT'S REPORT



The Board of Directors  
Weida (M) Bhd.  
187, Lorong Datuk Abang Abdul Rahim 7  
93450 Kuching  
Sarawak

PricewaterhouseCoopers  
(AF 1146)  
Public Accountants  
9th Floor Bangunan BINAMAS  
Jalan Padungan  
P O Box 2864  
93756 Kuching, Sarawak, Malaysia  
Telephone +60 82 413 957/413 958  
Facsimile +60 82 412 644

19 December 2000

Gentlemen,

## 1 INTRODUCTION

This report has been prepared by us, the approved company's auditors, for inclusion in the Prospectus to be dated 26 December 2000 in connection with the public issue of 6,100,000 new ordinary shares of RM1.00 each in Weida (M) Bhd. (hereinafter referred to as "Weida") at an issue price of RM2.15 per share and the listing of and quotation for its entire enlarged issued and paid-up share capital of 40,000,000 ordinary shares of RM1.00 each on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

This report has been prepared based on the accounting policies consistent with those previously adopted in the preparation of the audited financial statements of Weida and its subsidiary companies and in accordance with approved accounting standards issued by the Malaysian Accounting Standards Board.

## 2 GENERAL INFORMATION

### 2.3 Background

Weida was incorporated in Malaysia on 3 February 2000 under the Companies Act, 1965. The principal activity of Weida is that of investment holding and has not commenced operation since the date of incorporation.

### 2.4 Share Capital

#### (b) Authorised share capital

The authorised share capital of Weida was increased from RM100,000 from the date of incorporation to RM100,000,000 on 20 October 2000. The changes in authorised share capital of Weida are as follows:

<u>Date of creation</u>	<u>Number of ordinary shares of RM1 each created</u>	<u>Resultant total RM</u>
Date of incorporation	100,000	100,000
20 October 2000	99,900,000	100,000,000

#### (b) Issued and paid-up share capital

The issued and paid-up share capital of Weida was increased from RM2 from the date of incorporation to RM33,900,000 on 23 October 2000. The changes in the issued and paid-up share capital of Weida are as follows:

## 13. ACCOUNTANT'S REPORT (Cont'd)



The Board of Directors  
Weida (M) Bhd.  
19 December 2000

## 2 GENERAL INFORMATION (continued)

## 2.2 Share Capital (continued)

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1 each issued</u>	<u>Consideration</u>	<u>Resultant total RM</u>
Date of incorporation	2	Subscribers' share	2
23 October 2000	1,199,998	At par for cash	1,200,000
23 October 2000	22,993,045	Acquisition of subsidiary companies via share swap	24,193,045
23 October 2000	9,706,955	Rights issue of approximately 40 ordinary shares for 100 existing shares held at RM1.05 per share for cash	33,900,000

## 3 RESTRUCTURING SCHEME

In conjunction with, and as an integral part of the listing of and quotation for its entire issued and paid-up share capital on the Second Board of the KLSE, the restructuring scheme which had been approved by the shareholders of Weida on 24 February 2000 and Securities Commission on 24 July 2000 is as follows:

## 3.1 Allotment of Shares

Allotment of 1,199,998 new ordinary shares of RM1.00 each in Weida at an issue price of RM1.00 per ordinary share to the existing shareholders.

## 3.2 Acquisitions of Subsidiary Companies

- (a) acquisition of the entire issued and paid-up share capital in Weida Integrated Industries Sdn. Bhd. ("WIISB") after incorporating the revaluation of land and buildings of WIISB, for a purchase consideration of RM21,471,768 to be satisfied by the issue of 14,808,116 new ordinary shares of RM1.00 each in Weida at RM1.45 per ordinary share.
- (b) acquisition of the entire issued and paid-up share capital of Weida Resources Sdn. Bhd. ("WRSB") for a purchase consideration of RM11,314,780 to be satisfied by the issue of 7,803,297 new ordinary shares of RM1.00 each in Weida at RM1.45 per ordinary share.
- (c) acquisition of the entire issued and paid-up share capital of Weida Holdings Sdn. Bhd. ("WHSB") for a purchase consideration of RM553,367 to be satisfied by the issue of 381,632 new ordinary shares of RM1.00 each in Weida at RM1.45 per ordinary share.
- (d) acquisition of 51% of the issued and paid-up share capital of Weida Marketing Sdn. Bhd. ("WMSB") for a cash consideration of RM255,000.
- (e) acquisition of 70% of the issued and paid-up share capital of Weidaya Sdn. Bhd. ("Weidaya") for a cash consideration of RM350,000.
- (f) acquisition of 51% of the issued and paid-up share capital of Weida Environmental Technology Sdn. Bhd. ("WETSB") for a cash consideration of RM51,000.
- (g) acquisition of 51% of the issued and paid-up share capital of Saruwas Sdn. Bhd. ("Saruwas") for a cash consideration of RM102,000.

13. ACCOUNTANT'S REPORT (Cont'd)



The Board of Directors  
Weida (M) Bhd.  
19 December 2000

3 RESTRUCTURING SCHEME (continued)

3.3 Rights Issue

Rights issue of 9,706,955 new ordinary shares of RM1.00 each in Weida on the basis of approximately forty (40) new ordinary shares for every one hundred (100) existing ordinary shares held at an issue price of RM1.05 per ordinary share.

3.4 Public Issue

Public issue of 6,100,000 new ordinary shares of RM1.00 each in Weida at an issue price of RM2.15 per ordinary share.

3.5 Listing on KLSE

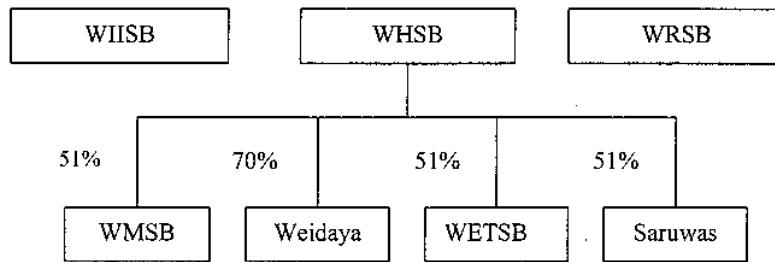
The listing of and quotation for its entire enlarged issued and paid-up share capital of Weida of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each on the Second Board of KLSE.

The above Allotment of Shares, Acquisitions of subsidiary companies have been completed on 23 October 2000 whilst the Rights Issue has been completed on 25 October 2000.

4 GROUP STRUCTURE

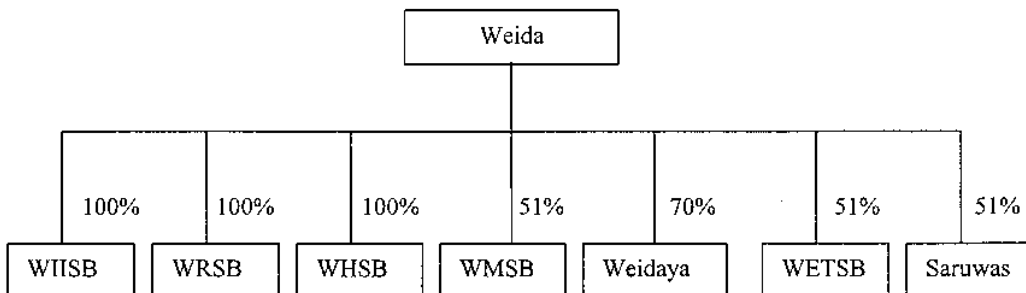
Before restructuring scheme

The structure of Weida and its subsidiary companies before the restructuring scheme is illustrated as follows:



After restructuring scheme

The group structure after the acquisitions of the subsidiary companies ("Weida Group") as contained in the preceding paragraph 3.2 is illustrated as follows:



## 13. ACCOUNTANT'S REPORT (Cont'd)



The Board of Directors  
Weida (M) Bhd.  
19 December 2000

## 4 GROUP STRUCTURE (continued)

Details of the subsidiary companies are as follows:

## (i) WIISB

WIISB was incorporated in Malaysia on 4 March 1988 under the Companies Act, 1965 as a private limited company under the name of Regional Chemical Containers Sdn. Bhd., and on 15 November 1996, changed its name to Weida Integrated Industries Sdn. Bhd..

The company is principally involved in manufacturing of high density polyethylene engineering ("HDPE") products. The first set of financial statements was for the financial period ended 31 March 1989.

## (a) Authorised share capital

The authorised share capital of WIISB was increased from RM100,000 from the date of incorporation to RM10,000,000 as at 30 June 2000. The changes in authorised share capital are as follows:

<u>Date of creation</u>	<u>Number of ordinary shares of RM1 each created</u>	<u>Resultant total RM</u>
Date of incorporation	100,000	100,000
27 March 1991	250,000	350,000
1 April 1996	150,000	500,000
26 March 1997	4,500,000	5,000,000
29 March 1997	5,000,000	10,000,000

## (b) Issued and paid-up share capital

The issued and paid-up share capital of WIISB was increased from RM2 from the date of incorporation to RM3,000,000 as at 30 June 2000. The changes in the issued and paid-up share capital of WIISB are as follows:

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1 each issued</u>	<u>Consideration</u>	<u>Resultant total RM</u>
Date of incorporation	2	Subscribers' shares	2
21 July 1988	99,998	At par for cash	100,000
27 March 1991	250,000	At par for cash	350,000
1 April 1996	150,000	At RM2 per share for cash	500,000
29 March 1997	2,500,000	Rights issue of 5 ordinary shares for 1 existing share held at par for cash	3,000,000

## 13. ACCOUNTANT'S REPORT (Cont'd)



The Board of Directors  
Weida (M) Bhd.  
19 December 2000

## 4 GROUP STRUCTURE (continued)

## (ii) WRSB

WRSB was incorporated in Malaysia on 18 June 1992 under the Companies Act, 1965 as a private limited company. Its principal activities are trading of HDPE and other engineering products and the provision of specialised installation services. The first set of financial statements was for the financial period ended 30 June 1993.

## (a) Authorised share capital

The authorised share capital of WRSB was increased from RM100,000 from the date of incorporation to RM10,000,000 as at 30 June 2000. The changes in authorised share capital of WRSB are as follows:

<u>Date of creation</u>	<u>Number of ordinary shares of RM1 each created</u>	<u>Resultant total RM</u>
Date of incorporation	100,000	100,000
29 December 1993	100,000	200,000
27 June 1995	300,000	500,000
26 March 1997	4,500,000	5,000,000
29 March 1997	5,000,000	10,000,000

## (b) Issued and paid-up share capital

The issued and paid-up share capital of WRSB was increased from RM2 from the date of incorporation to RM2,500,000 as at 30 June 2000. The changes in the issued and paid-up share capital of WRSB are as follows:

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1 each issued</u>	<u>Consideration</u>	<u>Resultant total RM</u>
Date of incorporation	100,000	Subscribers' shares	100,000
29 December 1993	100,000	At par for cash	200,000
27 June 1995	300,000	At par for cash	500,000
29 March 1997	2,000,000	Rights issue of 4 ordinary shares for 1 existing share held at par for cash	2,500,000

## 13. ACCOUNTANT'S REPORT (Cont'd)



The Board of Directors  
Weida (M) Bhd.  
19 December 2000

## 4 GROUP STRUCTURE (continued)

## (iii) WHSB

WHSB was incorporated in Malaysia on 16 July 1996 under the Companies Act, 1965 as a private limited company under the name of Midas Pacific Sdn. Bhd., and on 7 August 1996, changed its name to Weida Holdings Sdn. Bhd..

The principal activities are that of investment holding, trading of HDPE products and construction of water supply and other specialised systems involving the use of HDPE products. The first set of financial statements was for the financial period ended 31 March 1997.

## (a) Authorised share capital

The authorised share capital of WHSB was increased from RM100,000 from the date of incorporation to RM10,000,000 as at 30 June 2000. The changes in authorised share capital are as follows:

<u>Date of creation</u>	<u>Number of ordinary shares of RM1 each created</u>	<u>Resultant total RM</u>
Date of incorporation	100,000	100,000
8 August 1996	9,900,000	10,000,000

## (b) Issued and paid-up share capital

The issued and paid-up share capital of WHSB was increased from RM2 from the date of incorporation to RM510,000 as at 30 June 2000. The changes in the issued and paid-up share capital of WHSB are as follows:

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1 each issued</u>	<u>Consideration</u>	<u>Resultant total RM</u>
Date of incorporation	2	Subscribers' shares	2
18 March 1997	9,998	At par for cash	10,000
29 March 1997	500,000	At par for cash	510,000