

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Consolidated Statement of Financial Position

As at 30 September 2015

	Note	30 September 2015 RM'000	31 March 2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		102,415	102,471
Prepaid lease payments		3,110	3,170
Investment in an associate		355	402
Goodwill		553	574
Other intangible assets	16	23,605	29,392
Trade and other receivables	17	5,122	4,446
Other investments		326	326
Deferred tax assets		3,560	3,597
		139,046	144,378
Current assets			
Inventories		47,780	45,127
Property development costs		179,808	75,696
Trade and other receivables	17	188,529	149,934
Derivative financial assets		251	33
Deposits and prepayments	18	4,768	28,812
Current tax recoverable		3,246	3,776
Cash and cash equivalents		95,915	176,189
		520,297	479,567
Total assets		659,343	623,945

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Consolidated Statement of Financial Position

As at 30 September 2015

	Note	30 September 2015 RM'000	31 March 2015 RM'000
(continued)			
EQUITY			
Equity attributable to owners of the Company			
Share capital		66,667	66,667
Reserves		324,617	316,894
Treasury shares		(4,600)	(4,600)
		386,684	378,961
Non-controlling interests		10,537	10,881
Total equity		397,221	389,842
LIABILITIES			
Non-current liabilities			
Loans and borrowings	29	61,481	58,557
Deferred tax liabilities		10,532	11,129
		72,013	69,686
Current liabilities			
Trade and other payables	19	132,539	111,196
Derivative financial liabilities		4	-
Loans and borrowings	29	54,595	52,933
Current tax payable		2,971	288
		190,109	164,417
Total liabilities		262,122	234,103
Total equity and liabilities		659,343	623,945
Net assets per ordinary share attributable to owners of the Company, net of treasury shares (RM)		3.05	2.99

The consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 September 2015

		Individual Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		30	30	30	30
	Note	September	September	September	September
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Revenue	8	100,217	71,146	203,128	140,346
Operating profit		7,220	2,597	21,074	8,053
Interest expense		(1,718)	(1,680)	(3,105)	(3,331)
Interest income		1,013	2,411	1,862	4,678
Amortisation of goodwill		(11)	(10)	(21)	(20)
Goodwill written off		(159)	(5)	(159)	(20)
Gain on disposal of other investments		128	38	251	100
Share of results of equity accounted associate		(23)	(15)	(47)	(30)
Profit before taxation	8	6,450	3,336	19,855	9,430
Income tax expense	26	(3,107)	(836)	(7,012)	(2,580)
Profit after taxation		3,343	2,500	12,843	6,850
Other comprehensive income/(loss), net of tax					
Items that may be reclassified to profit or loss					
Foreign exchange translation differences for foreign operations		68	(9)	243	(87)
Other comprehensive income/(loss) for the period, net of tax		68	(9)	243	(87)
Total comprehensive income for the period, net of tax		3,411	2,491	13,086	6,763
Profit attributable to:					
Owners of the Company		3,959	719	13,341	4,547
Non-controlling interests		(616)	1,781	(498)	2,303
Profit for the period		3,343	2,500	12,843	6,850
Total comprehensive income attributable to:					
Owners of the Company		3,697	741	13,128	4,514
Non-controlling interests		(286)	1,750	(42)	2,249
Total comprehensive income for the period		3,411	2,491	13,086	6,763
Basic/Diluted earnings per ordinary share (sen)	36	3.12	0.57	10.51	3.58

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015
Consolidated Statement of Changes in Equity

For the period ended 30 September 2015

<-----Attributable to owners of the Company ----->

Note	Issued and fully paid ordinary shares		Revaluation reserve RM'000	Non-Distributable		Distributable		Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Number of shares '000	Share capital RM'000		Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 1 April 2015	133,333	66,667	25,150	(2,121)	5	(4,600)	293,860	378,961	10,881	389,842
Realisation of revaluation reserve	-	-	(173)	-	-	-	173	-	-	-
<i>Foreign exchange translation differences for foreign operations</i>	-	-	-	(213)	-	-	-	(213)	456	243
Total other comprehensive (loss)/income for the period	-	-	-	(213)	-	-	-	(213)	456	243
Profit for the period	-	-	-	-	-	-	13,341	13,341	(498)	12,843
Total comprehensive (loss)/income for the period	-	-	-	(213)	-	-	13,341	13,128	(42)	13,086
<i>Distributions to owners of the Company:</i>										
- Own shares acquired	6	-	-	-	-	0	-	-	-	-
- Dividends to owners of the Company	35	-	-	-	-	-	(3,807)	(3,807)	-	(3,807)
Total transactions to owners of the Company	-	-	-	-	-	0	(3,807)	(3,807)	-	(3,807)
Change in ownership interest in subsidiaries	11	-	-	-	-	-	(1,598)	(1,598)	(302)	(1,900)
At 30 September 2015	133,333	66,667	24,977	(2,334)	5	(4,600)	301,969	386,684	10,537	397,221

WEIDA (M) BHD (Company No. 504747-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Consolidated Statement of Changes in Equity

For the period ended 30 September 2014

-----Attributable to owners of the Company ----->

Note	Issued and fully paid ordinary shares		Non-Distributable				Distributable	Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Number of shares '000	Share capital RM'000	Revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 1 April 2014	133,333	66,667	9,724	(1,273)	5	(4,599)	279,963	350,487	7,504	357,991
Realisation of revaluation reserve	-	-	(125)	-	-	-	125	-	-	-
<i>Foreign exchange translation differences for foreign operations</i>	-	-	-	(33)	-	-	-	(33)	(54)	(87)
Total other comprehensive loss for the period	-	-	-	(33)	-	-	-	(33)	(54)	(87)
Profit for the period	-	-	-	-	-	-	4,547	4,547	2,303	6,850
Total comprehensive (loss)/income for the period	-	-	-	(33)	-	-	4,547	4,514	2,249	6,763
<i>Distributions to owners of the Company:</i>										
- Own shares acquired	-	-	-	-	-	-	-	-	-	-
- Dividends to owners of the Company	7	-	-	-	-	-	(3,807)	(3,807)	-	(3,807)
Total transactions to owners of the Company	-	-	-	-	-	-	(3,807)	(3,807)	-	(3,807)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	(11)	(11)
Change in ownership interest in subsidiaries	-	-	-	-	-	-	(21)	(21)	60	39
Issue of share capital	-	-	-	-	-	-	-	-	150	150
At 30 September 2014	133,333	66,667	9,599	(1,306)	5	(4,599)	280,807	351,173	9,952	361,125

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Consolidated Statement of Cash Flows

For the period ended 30 September 2015

	30 September 2015 RM'000	30 September 2014 RM'000
Profit after taxation for the period	12,843	6,850
Adjustments for:		
Amortisation of intangible assets	5,787	6,956
Amortisation of goodwill	21	20
Amortisation of prepaid lease payments	60	60
Depreciation of property, plant and equipment	4,667	4,472
Derivative gain on forward foreign currency contracts	(247)	(71)
Interest expense	3,105	3,331
Interest income	(1,862)	(4,678)
Unrealised loss/(gain) on foreign exchange	1,508	(419)
Gain on disposal of property, plant and equipment	(161)	(160)
Gain on disposal of other investment	(251)	(100)
Goodwill written off	159	20
Allowance for impairment loss on receivables	1,918	-
Property, plant and equipment written off	38	72
Income tax expense	7,012	2,580
Share of results of equity accounted associate	47	30
Operating profit before changes in working capital	34,644	18,963
Change in inventories	(2,653)	5,894
Change in property development costs	(104,112)	(2,325)
Change in trade and other receivables, including derivatives and deposits and prepayments	(16,818)	22,380
Change in trade and other payables, including derivatives	15,183	(16,821)
Cash (used in)/generated from operations	(73,756)	28,091
Interest paid	(959)	(554)
Income tax paid	(4,360)	(4,680)
Net cash (used in)/from operating activities	(79,075)	22,857
Cash flows from investing activities		
Decrease in cash and cash equivalents pledged with licensed banks	(1,543)	-
Acquisition of shares in a subsidiary	(1,900)	-
Acquisition of property, plant and equipment	(2,919)	(2,264)
Acquisition of goodwill	(159)	-
Decrease in investment of a investment	-	38
Proceeds from disposal of other investment	251	100
Proceeds from disposal of property, plant and equipment	676	480
Interest received	1,426	4,353
Net cash (used in)/generated from investing activities	(4,168)	2,707

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Consolidated Statement of Cash Flows

For the period ended 30 September 2015

	30 September 2015 RM'000	30 September 2014 RM'000
(continued)		
Cash flows from financing activities		
Proceeds from issuance of shares to non-controlling interests	-	150
Net repayments of Islamic bonds	-	(28,959)
Repayments of bankers' acceptances	(231)	(8,213)
Net proceeds of other loans and borrowings	4,817	2,180
Interest paid	(1,997)	(2,521)
Net cash from/(used in) financing activities	2,589	(37,363)
Net decrease in cash and cash equivalents	(80,654)	(11,799)
Effects of exchange rate fluctuations on cash held	(1,163)	386
Cash and cash equivalents at beginning of period	175,349	244,516
Cash and cash equivalents at end of period	<u>93,532</u>	<u>233,103</u>

Note

Cash and cash equivalents included in the consolidated statement of cash flows comprise:

Deposits, bank and cash balances	95,915	233,921
Less: Cash and cash equivalents pledged for banking facilities	(2,383)	(818)
Total cash and cash equivalents shown in consolidated statement of cash flows	<u>93,532</u>	<u>233,103</u>

The consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Notes to the consolidated interim financial statements

1. Basis of preparation

The consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and Financial Reporting Standard (“FRS”) 134, *Interim Financial Reporting*.

The preparation of an interim financial statements in conformity with FRS 134, *Interim Financial Reporting*, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated interim financial statements of the Group as at and for the financial period ended 30 September 2015 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in an associate.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2015 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with FRSs.

2. Significant accounting policies

2.1 Changes in accounting policies

The financial statements of the Group have been prepared in accordance with Financial Reporting Standards (“FRSs”) and the requirement of the Companies Act, 1965 in Malaysia.

Given that certain Group entities are transitioning entities (being entities subject to the application of IC Interpretation 15, *Agreements for the Construction of Real Estate* and the entity that consolidates or equity accounts on proportionately consolidating the first mentioned entities), the Group is exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) Framework until 1 April 2017 as mandated by the Malaysian Accounting Standards Board (“MASB”). As a result, the Group (including the transitioning entities) will continue to apply FRS as their financial reporting framework to prepare their financial statements for annual periods ending on 31 March 2016 and 31 March 2017.

On 8 September 2015, MASB confirmed that the effective date of MFRS 15, *Revenue from Contracts with Customers* will be deferred to annual periods beginning on or after 1 January 2018, following the press release by International Accounting Standards Board. The MASB has consistently used effective date of MFRS 15 as the basis of setting the effective date for the transitioning entities to apply the MFRSs. In light of the deferral of MFRS 15, the effective date for transitioning entities to apply MFRSs will also be deferred to annual periods beginning on or after 1 January 2018.

The significant accounting policies adopted in the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2015, except for the adoption of the following accounting standards, amendments and interpretations which are effective for annual periods beginning on or after the respective dates indicated herein:

Standard/Amendment/Interpretation	Effective date
Amendments to FRS 3, <i>Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>	1 July 2014
Amendments to FRS 8, <i>Operating Segments (Annual Improvements 2010-2012 Cycle)</i>	1 July 2014
Amendments to FRS 13, <i>Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>	1 July 2014
Amendments to FRS 116, <i>Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)</i>	1 July 2014
Amendments to FRS 124, <i>Related Party Disclosures (Annual Improvements 2010-2012 Cycle)</i>	1 July 2014
Amendments to FRS 138, <i>Intangible Assets (Annual Improvements 2010-2012 Cycle)</i>	1 July 2014

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Notes to the consolidated interim financial statements

(continued)

2. Significant accounting policies (continued)

2.2 Standards, amendments and interpretations yet to be effective

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective nor early adopted by the Group:

Standard/Amendment/Interpretation	Effective date
Amendments to FRS 116 <i>Property, Plant and Equipment</i> and FRS 138, <i>Intangible Assets-Clarification of Acceptance Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to 2012-2014 Cycle)</i>	1 January 2016
Amendment to FRS 7, <i>Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
Amendments to FRS 10, <i>Consolidated Financial Statements</i> and FRS 128, <i>Investment in Associates and Joint Venture- Sale or Contribution to Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to FRS 10, <i>Consolidated Financial Statements</i> , FRS 12, <i>Disclosure of Investments in Other Entities</i> and FRS 128, <i>Investments in Associate and Joint Ventures- Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 11, <i>Joints Arrangements- Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
FRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 101, <i>Presentation of Financial Statement- Disclosure Initiative</i>	1 January 2016
Amendment to FRS 119, <i>Employee Benefits (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
Amendment to FRS 127, <i>Separate Financial Statements- Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 134, <i>Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
MFRS 15, <i>Revenue from Contract with Customers*</i>	1 January 2017
MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
Amendments to MFRS 7, <i>Financial Instruments: Disclosure- Mandatory Effective Date of MFRS 9 and Transitional Disclosures</i>	1 January 2018

* MASB has confirmed that the effective date of MFRS 15, *Revenue from Contract with Customers* will be deferred to annual periods beginning on or after 1 January 2018, following the press release by International Accounting Standards Board. Formal amendment to MFRS 15, specifying the new effective date, is expected to be issued by MASB in due course.

The initial application of an accounting standard, an amendment or an interpretation, which is to be applied prospectively or which requires extended disclosures, is not expected to have any material financial impacts on the financial statements for the current and prior periods upon its first adoption.

3. Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical factors in the current quarter.

4. Unusual items due to their nature, size and incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the three months ended 30 September 2015.

Notes to the consolidated interim financial statements

(continued)

5. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter.

6. Debt and equity securities

There were no issuance, cancellation, resale and repayment of equity securities in the cumulative and current quarter under review except for the repurchase of 100 own shares as treasury shares at an average price of RM1.66 per share using internally generated funds in May 2015.

7. Dividends paid

There was no dividend paid during the quarter under review.

8. Segment information

The Group has four reporting segments, which are the Group's strategic business units. For each of the strategic units, the Group Executive Chairman, being the Chief Operating Decision maker, reviews internal management reports for resource allocation and decision making at least on a quarterly basis. The following summary describes the operations in each of the Group's existing reporting segments :-

- | | | |
|-----|----------------------|---|
| (a) | Manufacturing | - Manufacturing, marketing and sale of polyethylene engineering ("PE") products, reclaimed rubber and trading of other specialised and technical engineering products |
| (b) | Works | - (i) Telecommunication towers
- Construction of telecommunication towers and share of rental proceeds from telecommunication towers

(ii) Water, wastewater and other infrastructure
- Design, construction and installation of water supply, storage infrastructure and treatment systems, wastewater treatment systems, hydro systems and other infrastructure |
| (c) | Property development | - Development and construction of residential properties |
| (d) | Others | - Sewerage treatment services, treatment and disposal of sludge services and quarry operation |

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Notes to the consolidated interim financial statements

(continued)

8. Segment information (continued)

	Manufacturing	-----Works----- Tele- communication towers	Water, wastewater treatment and other infrastructure	Property development	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the 6 months ended 30 September 2015						
Segment revenue	102,789	49,333	6,294	34,964	9,748	203,128
Segment profit/(loss)	11,414	8,803	(2,003)	1,283	1,391	20,888
Unallocated corporate expenses						(986)
Share of results of equity accounted associate						(47)
Profit before taxation						19,855
Tax expense						(7,012)
Profit for the period						12,843
For the 6 months ended 30 September 2014						
Segment revenue	92,326	15,132	9,464	14,064	9,360	140,346
Segment profit/(loss)	6,817	2,988	2,201	(3,270)	1,638	10,374
Unallocated corporate expenses						(914)
Share of results of equity accounted associate						(30)
Profit before taxation						9,430
Tax expense						(2,580)
Profit for the period						6,850

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Notes to the consolidated interim financial statements

(continued)

8. Segment information (continued)

	Cumulative Quarter	
	6 months ended	
	30 September 2015	30 September 2014
	RM'000	RM'000
Revenue from external customers		
Malaysia	200,139	137,814
Other countries	2,989	2,532
	203,128	140,346

9. Property, plant and equipment

a) Acquisitions and disposals

During the six months ended 30 September 2015, the Group acquired items of property, plant and equipment costing RM5,012,000 (six months ended 30 September 2014: RM2,683,000), of which Nil (six months ended 30 September 2014: RM419,000) was in the form of finance lease assets.

During the six months ended 30 September 2015, the Group disposed of items of property, plant and equipment with a carrying amount of RM515,000 (six months ended 30 September 2014: RM320,000), resulting in a net gain on disposal of RM161,000 (six months ended 30 September 2014: RM160,000).

b) Valuations

The valuations of land and buildings have been brought forward, since the previous audited financial statements.

10. Subsequent events

On 10 November 2015, the Group through its wholly owned subsidiary, Weida Integrated Industries Sdn Bhd ("WII") entered into a deed of rescission and termination to mutually rescind, revoke and terminate the sale and purchase agreement dated 17 August 2015 in relation to the acquisition of land for a total cash consideration of RM6 million with Premium Fortune Sdn Bhd ("PFSB").

On the same day, WII entered into a sale of shares agreement ("SSA") with the related parties, Dato' Lee Choon Chin and Mr Jee Hon Chong to acquire the entire equity interests in the issued and paid up share capital of PFSB, comprising 5,000 ordinary shares of RM1.00 each, for a total consideration of RM6 million, which will result in PFSB becoming a 100% owned subsidiary of WII. The SSA is expected to be completed within 3 months from the date of the SSA.

11. Changes in composition of the Group

On 6 July 2015, a 100% owned subsidiary, Weida Property Sdn Bhd acquired an additional 10% interest in Loyal Paragon Sdn Bhd ("LPSB") in cash, increasing its ownership from 90% to 100%. The carrying amount of LPSB's net assets in Group's financial statements on the date of the acquisition was RM3 million. The Group recognised a decrease in non-controlling interest of RM302,000 and a decrease in retained earnings of RM1.6 million.

12. Changes in contingent liabilities

As at 30 September 2015, the Group has, in the ordinary course of business, provided bank guarantees of RM20,630,000 to third parties in the capacity of the Group as the sub-contractors of, or suppliers to, projects.

As at 17 November 2015, the Group has, in the ordinary course of business, provided bank guarantees of RM18,175,000 to third parties in the capacity of the Group as the sub-contractors of, or suppliers to, projects.

13. Capital commitments

	30 September 2015	30 September 2014
	RM'000	RM'000
Property, plant and equipment		
Authorised but not contracted for	8,365	19,570
Contracted but not provided for	1,127	1,796
	9,492	21,366

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Notes to the consolidated interim financial statements

(continued)

14. Material related party transactions

There were no material related party transactions except for the following:-

a) *Transactions with companies in which certain Directors of the Company have interests*

<u>Nature of transaction</u>	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Rental of premises	70	75	145	150
Purchase of finished goods	-	-	89	-

b) *Transactions with certain directors, substantial shareholder and key management personnel of the Company and the Group*

<u>Nature of transaction</u>	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Progress billings for properties under development	(1,058)	-	(1,407)	(664)
Rental of premises	-	-	-	3

c) *Transaction with a person who is a substantial shareholder of a corporate shareholder of a subsidiary of the Group*

<u>Nature of transaction</u>	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Progress billings for properties under development	-	-	(82)	(126)

15. Compensation to key management personnel

Compensation paid/payable to key management personnel are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Directors of the Company	2,571	1,619	2,998	2,638
Directors of subsidiaries and other key management personnel	1,861	3,111	2,543	5,524
	4,432	4,730	5,541	8,162

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Notes to the consolidated interim financial statements

(continued)

16. Other intangible assets

Other intangible assets consist of rights to share rental proceeds of telecommunication towers. This arose from the construction of telecommunication towers for a network facility provider licence holder (“NFPLH”) in prior years. As payment consideration for the construction works carried out, the NFPLH and the Group share the rental proceeds from the leasing of the telecommunication towers based on pre-determined ratios for a period of ten years commencing from the month when the rental proceeds were first received.

17. Trade and other receivables

- (i) Included in the non-current balance of other receivables is an amount due from a former associate of the Group amounting to RM5.1 million (31.3.2015: RM3.5 million) which is secured by a first fixed and floating charges over the former associate’s assets and bears fixed interest at 6.00% (31.3.2015: 6.00%) per annum. The amount is repayable in full by December 2017.
- (ii) Included in the current trade receivables subsisting at 31 March 2015 is an amount due from a contract customer relating to construction of waste treatment specialised systems amounting to RM10.7 million, which is unsecured and interest free.
- (iii) Included in current trade receivables is a gross retention sum receivable of RM9.1 million from the Government of Syrian Arab Republic in respect of sewerage and water treatment plants constructed by a subsidiary.

In the current quarter, an impairment loss of RM0.8 million had been provided against these retention sum in view of the escalating political unrest in Syrian Arab Republic, after taking into consideration the advance payments of RM5.0 million (31.3.2015: RM4.0 million) received from and other amounts payable to the Government of Syrian Arab Republic. The adequacy of or the need for the allowance for impairment loss provided on the retention sums will have to be reassessed in future based on the information then available.

18. Deposits and prepayments

Pursuant to the Joint Development Agreement (“JDA”) signed on 3 October 2014 between Atlas Arrow Sdn. Bhd. (“AASB”) and Pacific Mutiara Sdn. Bhd. to jointly develop two parcels of leasehold land located in Cheras, Kuala Lumpur measuring an approximate area of 11.45 acres (“Proposed Development”), the JDA has become unconditional and effective as of 8 April 2015. The deposit of RM25.0 million subsisting at 31 March 2015 has been recognised as part of the project development cost in the preceding quarter.

19. Trade and other payables

The Group through its subsidiaries, Loyal Paragon Sdn. Bhd. (“LPSB”), Good Axis Sdn. Bhd. (“GASB”) and AASB, had entered into three separate joint development agreements (“JDAs”) with three companies (“the Land Owners”) respectively:

- to develop a parcel of leasehold land into residential properties;
- to develop a parcel of freehold land into residential properties; and
- to develop two parcels of leasehold land into residential properties.

The projects are hereinafter referred to as “the Joint Developments” and the lands, as “the Project Lands”.

Through the JDAs, the Land Owners shall contribute the Lands for the Joint Developments and LPSB, GASB and AASB shall undertake the Joint Developments Project pursuant to and in accordance with the provisions of the JDAs. LPSB, GASB and AASB shall be responsible for the entire costs and expenses of the Joint Developments and shall make available all the necessary finances in respect of.

Included in the other payables is a sum of RM18.3 million which relates to the Land Owners’ entitlements from the Joint Developments after deducting the payments made on their behalf in connection with the Joint Developments.

20. Financial risk management

The Group’s financial risk management objectives and policies and risk profile are consistent with those disclosed in the consolidated financial statements as at and for the financial year ended 31 March 2015.

Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(continued)

21. Fair value hierarchy

In the three months ended 30 September 2015, there were no transfers between fair value hierarchies and no reclassifications of the financial assets as a result of a change in the purpose or use of those assets.

22. Review of performance

The Group achieved higher revenue of RM100.2 million in the current quarter ended 30 September 2015 (six months ended 30 September 2015: RM203.1 million) as compared to the corresponding quarter ended 30 September 2014 of RM71.1 million (six months ended 30 September 2014: RM140.3 million), mainly due to an overall increase in revenue contribution from all segments of the Group.

The Group's profit before tax increased to RM6.5 million in the current quarter under review (six months ended 30 September 2015: RM19.9 million) from RM3.3 million in the corresponding quarter in the previous financial year (six months ended 30 September 2014: RM9.4 million), mainly attributable to higher profit contribution during the quarter from the manufacturing and property development segments (and the manufacturing, property development and the works segment for the six month ended 30 September 2015).

Performance of each operating segment below is shown before accounting for unallocated corporate expenses.

a) Manufacturing

The performance of the manufacturing segment has strengthened tremendously in the current cumulative quarters due to more favourable mix of products and customers, leading to an increase in profit from RM6.8 million in the corresponding cumulative quarters ended 30 September 2014 (3 months ended 30 September 2014 : RM2.1 million) to RM11.4 million in the current cumulative quarters (3 months ended 30 September 2015 : RM6.0 million).

The manufacturing segment recorded a higher revenue of RM58.5 million in the current quarter and RM102.8 million in the cumulative quarters ended 30 September 2015 as compared to the corresponding quarter and the cumulative quarters in the previous financial year (2Q FYE 2015: RM42.2 million and six months ended 30 September 2014: RM92.3 million respectively), mainly due to the continuing trend of strong demand in certain polyethylene engineering products.

b) Works

Given the nature of the works segment, its revenue and profit contribution typically fluctuates according to the ebb and flow of projects.

For the six months ended 30 September 2015, this segment achieved higher revenue and segment profit of RM55.6 million and RM6.8 million respectively as compared to the same period in the last financial year of RM24.6 million and RM5.2 million mainly attributable to the telecommunication towers division.

For the current quarter, however, the works segment recorded a slightly lower revenue of RM15.4 million as compared to the corresponding quarter of RM15.6 million. This segment made a loss of RM0.8 million in the current quarter against the segment profit of RM3.4 million in the corresponding quarter mainly due to unrealised foreign exchange loss from an overseas project and one off expenses incurred in the current quarter.

c) Property development

In the current quarter under review, the property development segment continues to generate profit attributable to its on-going project, Urbana Residences in Ara Damansara, which has achieved a take up rate of over 90% since its launch date. It generated segment profit of RM1.0 million (2Q FYE 2015: loss of RM2.3 million) on the back of an increase in revenue of RM20.7 million (2Q FYE 2015: RM8.4 million). Accordingly, this segment achieved higher revenue and segment profit of RM35.0 million and RM1.3 million respectively for the cumulative quarters ended 30 September 2015 against the same period in the last financial year (RM14.1 million and net loss of RM3.3 million respectively).

Profit contribution from Urbana Residences was partly offset by the preparation expenses for the Group's next developments located in Mont' Kiara and Cheras (see further details below), which caused slight distortion in the segment profit. This segment will present a better result upon the commencement of these future projects.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(continued)

22. Review of performance (continued)

c) Property development (continued)

Presently, the Group is in the advanced stages of planning and design works for the Mont' Kiara development, Ardena. In addition, on 3 October 2014, the Group entered into a joint venture with Pacific Mutiara Sdn. Bhd. to jointly develop two parcels of leasehold lands measuring 11.45 acres located in Cheras. The joint venture has become unconditional and effective as of 8 April 2015. The Group is currently in the initial planning stages of this development.

d) Others

This segment mainly comprises the activities generated from the management, operations and maintenance of septic sludge treatment plants as well as the collection of septic sludge.

This segment registered higher revenue and segment profit of RM5.7 million and RM0.9 million respectively in the current quarter as compared the corresponding quarter (2Q FYE 31 March 2015: RM4.9 million and RM0.7 million respectively), mainly due to higher contribution from the collection of septic sludge activities in the current quarter under review.

For the six months ended 30 September 2015, this segment posted higher revenue of RM9.7 million (six months ended 30 September 2014: RM9.4 million) with a slightly lower segment profit of RM1.4 million (six months ended 30 September 2014: RM1.6 million) due to one off expenses incurred in the current financial year to date.

23. Variation of results against preceding quarter

The Group achieved higher revenue of RM100.2 million, compared to RM102.9 million in the preceding quarter. However, the Group's profit before tax of RM6.5 million in the current quarter was lower as compared to RM13.4 million in the preceding quarter.

Analysis of performance of each operating segment is as follows:

- Manufacturing segment – achieved higher revenue and profit of RM58.5 million and RM6.0 million respectively for the current quarter compared to RM44.3 million and RM5.4 million in the preceding quarter mainly due to continuing trend of strong demand in certain polyethylene engineering products in the current quarter.
- Works segment – posted lower revenue of RM15.4 million with segment loss of RM0.8 million compared to revenue of RM40.2 million with segment profit of RM7.6 million in the preceding quarter. This was mainly due to lower contribution from the construction of telecommunication towers and its loss due to one off expenses and an unrealised foreign exchange loss from an overseas project.
- Property development segment - the segment generated higher revenue and profit of RM20.7 million and RM1.0 million respectively compared to RM14.3 million and RM0.3 million in the preceding quarter, attributable to its on-going project, Urbana Residences in Ara Damansara.
- Others segment - the current quarter's revenue increased from RM4.1 million in the preceding quarter to RM5.7 million, and its profit also increased from RM0.5 million in the preceding quarter to RM0.9 million in the current quarter. The better results in the current quarter were mainly due to higher contribution from the collection of septic sludge activities.

24. Prospects for the financial year ending 31 March 2016

Malaysia's manufacturing sector recorded a growth of 4.2% for 2nd quarter of 2015 (1Q 2015: 5.6%) while its forecasted growth for Year 2015 is 5.5% (Year 2014: 6.2%). Our manufacturing segment is expected to maintain steady achievement subject to the uncertainties arising from currency fluctuations. We expect the Group to benefit from the recently announced Budget 2016 and the Eleventh Malaysia Plan (11th MP), particularly in the areas of water supply, sanitation facilities, housing and general infrastructure developments such as roads, drainage etc.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(continued)

24. Prospects for the financial year ending 31 March 2016 (continued)

Following the announcements from the previous year's Malaysia Budget 2014 and the Malaysian Communications and Multimedia Commission on the building of telecommunication infrastructure, the Group entered into agreements to construct telecommunication towers under Phase 1 of Time 3 Extension Programme in FYE 2015, which will continue to contribute positively to the earnings of the Group for the financial year ending 31 March 2016.

The growing emphasis on environmental sustainability also bodes well for the Group. Over the years, the Group has significantly grown and enhanced its human and engineering capital, via active involvement and collaboration with a network of established international organisations. The Group has successfully been playing, and will continue to play, the role of a provider of environmental engineering solutions in the fields of water and wastewater treatment, septic sludge treatment and renewable energy.

On the property development front, the tightening of bank lending and introduction of Goods and Services Tax ("GST") has led to a consolidation of the market. However, further into the horizon, we anticipate a vibrant trend for the residential subsector in the Greater Kuala Lumpur/Klang Valley area. The Group is therefore taking a cautious approach with regards to the timing and launching of our other projects in the pipeline while preparing ourselves for the future with further development plans.

The Group will continue to strengthen our presence in the property sector through strategic acquisition or joint ventures to increase valuable land banks for development. Increasingly, this segment will contribute positively to the Group's revenue.

On the construction front, the Group is currently sourcing for more construction works which is also expected to yield positive contributions for the Group.

As such, barring unforeseen circumstances, the Directors are cautiously optimistic of achieving satisfactory results for the Group for the financial year ending 31 March 2016 on the strength of the diversified base of the Group (see Note 8).

25. Revenue and profit forecast

Not applicable as no revenue and profit forecast was published.

26. Income tax expense

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Current tax expense				
Malaysian - current year	3,594	1,014	7,315	3,412
- prior years	194	-	258	-
	3,788	1,014	7,573	3,412
Deferred tax expense/(income)				
- current year	(681)	(169)	(561)	(823)
- prior years	-	(9)	-	(9)
	(681)	(178)	(561)	(832)
Tax expense for the year	3,107	836	7,012	2,580

The Group's effective tax rates for the current quarter, corresponding quarter, current cumulative quarter and corresponding cumulative quarter are higher than the prima facie tax rate mainly due to non-deductible expenses and the unrecognised deferred tax assets from loss making operations.

27. Status of corporate proposals

Not applicable.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(continued)

28. Utilisation of share proceeds

Not applicable.

29. Loans and borrowings

	30 September 2015 RM'000	31 March 2015 RM'000
Non-current		
Unsecured	19,109	23,215
Secured	42,372	35,342
	61,481	58,557
Current		
Unsecured	53,373	45,747
Secured	1,222	7,186
	54,595	52,933
Total	116,076	111,490

All borrowings are denominated in Ringgit Malaysia.

30. Derivatives financial instruments

The outstanding forward foreign currency contracts as at the end of the quarter under review are as follows:

	Contract/Notional Value RM'000	Net Fair Value RM'000
Forward foreign currency contracts		
- less than 1 year	7,789	8,036

Derivative financial instruments entered into by the Group are similar to those disclosed in the consolidated annual financial statements as at and for the financial year ended 31 March 2015.

31. Gains/Losses arising from fair value changes of financial liabilities

There were no material gains or losses arising from fair value changes of the financial liabilities for the current quarter and financial period.

32. Material litigation

There was no pending material litigation during the quarter under review.

33. Auditors' report on preceding annual financial statements

The auditors' have expressed an unqualified opinion on the Group's and the Company's statutory financial statements for the financial year ended 31 March 2015 in their report dated 3 July 2015.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(continued)

34. Profit for the financial period

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
<i>Profit is arrived at after charging:</i>				
Allowance for impairment loss on receivables	1,918	-	1,918	-
Amortisation of intangible assets	2,893	3,478	5,787	6,956
Amortisation of prepaid lease payments	30	31	60	60
Amortisation of goodwill	11	10	21	20
Depreciation of property, plant and equipment	2,367	2,240	4,667	4,472
Interest expenses	1,718	1,680	3,105	3,331
Goodwill written off	159	5	159	20
Property, plant and equipment written off	32	119	38	181
Unrealised loss on foreign exchange	1,056	-	1,508	-
<i>and after crediting:</i>				
Derivative gain on forward foreign exchange contracts	143	87	247	71
Interest income	1,013	2,411	1,862	4,678
Gain on disposal of other investments	128	38	251	100
Gain on disposal of property, plant and equipment	35	151	161	269
Unrealised gain on foreign exchange	-	243	-	419

There were no exceptional items for the current quarter and current financial period.

35. Dividend payable

A first and final single-tier dividend of 3.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 March 2015, approved at the Annual General Meeting, held on 30 September 2015, was paid on 24 November 2015 to Depositors whose names appear in the Record of Depositors on 9 November 2015.

No dividend has been recommended or paid for the current financial quarter to date.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(continued)

36. Earnings per ordinary share

(a) Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit after taxation for the period by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Profit for the period	3,343	2,500	12,843	6,850
Less: Amount attributable to non-controlling interests	616	(1,781)	498	(2,303)
Profit for the period attributable to owners of the Company	3,959	719	13,341	4,547
Weighted average number of ordinary shares in issue (‘000)	126,895	126,895	126,895	126,895
Basic earnings per ordinary share (sen)	3.12	0.57	10.51	3.58

The weighted average number of ordinary shares in issue during the individual quarter and financial year under review has been adjusted for the treasury shares bought back by the Company during the period (see Note 6). The weighted average number of ordinary shares in issue, net of treasury shares acquired, as at quarter ended 30 September 2015 is 126,894,540 (30 September 2014: 126,894,740).

(b) Diluted earnings per ordinary share

This is not applicable as there exists no share option, warrants or other financial instruments that will dilute or have the effect of diluting the basic earnings per ordinary share.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(continued)

37. Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to Paragraphs 2.06 to 2.23 of Bursa Malaysia Main Market Listing Requirements, is as follows:

	30 September 2015 RM'000	31 March 2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	333,400	320,875
- Unrealised	(2,115)	(3,601)
	331,285	317,274
Share of accumulated losses from associate		
- Realised	(135)	(88)
	331,150	317,186
Less: Consolidation adjustments	(29,181)	(23,326)
Total Group retained earnings as per statement of changes in equity	301,969	293,860

The determination of realised and unrealised profits or losses is based on Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

38. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 November 2015.