

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016
Consolidated Statement of Financial Position

As at 31 March 2016

	Note	31 March 2016 RM'000	31 March 2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		106,881	102,471
Prepaid lease payments		3,051	3,170
Investment in an associate		292	402
Goodwill		1,317	574
Other intangible assets	16	18,712	29,392
Other receivables	17	3,018	4,446
Other investments		228	326
Deferred tax assets		2,293	3,597
		135,792	144,378
Current assets			
Inventories		43,077	45,127
Property development costs		176,649	75,696
Trade and other receivables	17	134,882	149,934
Derivative financial assets		-	33
Deposits and prepayments	18	3,613	28,812
Current tax recoverable		5,267	3,776
Cash and cash equivalents		98,543	176,189
		462,031	479,567
Asset classified as held for sale		868	-
		463,899	479,567
Total assets		598,691	623,945

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As at 31 March 2016

	Note	31 March 2016 RM'000	31 March 2015 RM'000
(continued)			
EQUITY			
Equity attributable to owners of the Company			
Share capital		66,667	66,667
Reserves		338,448	316,894
Treasury shares		(4,600)	(4,600)
		400,515	378,961
Non-controlling interests		9,674	10,881
Total equity		410,189	389,842
LIABILITIES			
Non-current liabilities			
Loans and borrowings	29	46,482	58,557
Deferred tax liabilities		11,855	11,129
		58,337	69,686
Current liabilities			
Trade and other payables	19	88,186	111,196
Derivative financial liabilities		327	-
Loans and borrowings	29	41,040	52,933
Current tax payable		612	288
		130,165	164,417
Total liabilities		188,502	234,103
Total equity and liabilities		598,691	623,945
Net assets per ordinary share attributable to owners of the Company, net of treasury shares (RM)		3.16	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 FOURTH QUARTER ENDED 31 MARCH 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 March 2016

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended	3 months ended	12 months ended	12 months ended
		31	31	31	31
		March	March	March	March
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
Revenue	8	77,165	119,420	384,312	333,841
Operating profit		15,466	11,680	46,308	28,281
Interest expense		(1,117)	(1,401)	(5,288)	(5,898)
Interest income		824	848	3,432	6,918
Amortisation of goodwill		(11)	(11)	(42)	(42)
Goodwill written off		-	-	(175)	(21)
Loss on disposal of other investments		-	-	(3)	-
Loss on disposal of subsidiary		(1,702)	-	(1,702)	-
Share of results of equity accounted associate		(38)	(26)	(110)	(72)
Profit before taxation	8	13,422	11,090	42,420	29,166
Income tax expense	26	(5,895)	(2,104)	(16,364)	(8,390)
Profit after taxation		7,527	8,986	26,056	20,776
Other comprehensive income/(loss), net of tax					
Items that may be reclassified to profit or loss					
Foreign exchange translation differences for foreign operations		(739)	(587)	351	(1,029)
Realisation of foreign exchange translation reserve		1,703	-	1,703	-
Revaluation of land and buildings		-	15,734	-	15,734
Other comprehensive income for the financial year, net of tax		964	15,147	2,054	14,705
Total comprehensive income for the financial year, net of tax		8,491	24,133	28,110	35,481
Profit attributable to:					
Owners of the Company		7,569	7,899	25,964	17,417
Non-controlling interests		(42)	1,087	92	3,359
Profit for the financial year		7,527	8,986	26,056	20,776
Total comprehensive income attributable to:					
Owners of the Company		7,804	23,180	26,940	32,303
Non-controlling interests		687	953	1,170	3,178
Total comprehensive income for the financial year		8,491	24,133	28,110	35,481
Basic/Diluted earnings per ordinary share (sen)	36	5.97	6.22	20.46	13.73

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2016

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2016

<-----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 2015	133,333	66,667	25,150	(2,121)	5	(4,600)	293,860	378,961	10,881	389,842	
Realisation of revaluation reserve	-	-	(336)	-	-	-	336	-	-	-	
<i>Realisation of foreign exchange translation reserve</i>	-	-	-	1,703	-	-	-	1,703	-	1,703	
<i>Foreign exchange translation differences for foreign operations</i>	-	-	-	(727)	-	-	-	(727)	1,078	351	
Total other comprehensive income for the financial year	-	-	-	976	-	-	-	976	1,078	2,054	
Profit for the financial year	-	-	-	-	-	-	25,964	25,964	92	26,056	
Total comprehensive income for the financial year	-	-	-	976	-	-	25,964	26,940	1,170	28,110	
<i>Distributions to owners of the Company:</i>											
- Own shares acquired	6	-	-	-	-	-	-	-	-	-	
- Dividends to owners of the Company	35	-	-	-	-	-	(3,807)	(3,807)	-	(3,807)	
Change in ownership interest in subsidiaries	11	-	-	-	-	-	(3,807)	(3,807)	-	(3,807)	
Total transactions to owners of the Company		-	-	-	-	-	(5,386)	(5,386)	(351)	(5,737)	
Disposal of subsidiary		-	-	-	-	-	-	-	(84)	(84)	
Dividends to non-controlling interest		-	-	-	-	-	-	-	(1,942)	(1,942)	
Total transactions to non-controlling interest		-	-	-	-	-	-	-	(2,026)	(2,026)	
At 31 March 2016	133,333	66,667	24,814	(1,145)	5	(4,600)	314,774	400,515	9,674	410,189	

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Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2015

<-----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	-	-	(308)	-	-	-	308	-	-	-
<i>Foreign exchange translation differences for foreign operations</i>	-	-	-	(848)	-	-	-	(848)	(181)	(1,029)
<i>Revaluation of land and buildings</i>	-	-	15,734	-	-	-	-	15,734	-	15,734
Total other comprehensive income/(loss) for the financial year	-	-	15,734	(848)	-	-	-	14,886	(181)	14,705
Profit for the financial year	-	-	-	-	-	-	17,417	17,417	3,359	20,776
Total comprehensive income/(loss) for the financial year	-	-	15,734	(848)	-	-	17,417	32,303	3,178	35,481
<i>Distributions to owners of the Company:</i>										
- Own shares acquired	-	-	-	-	-	(1)	-	(1)	-	(1)
- Dividends to owners of the Company	-	-	-	-	-	-	(3,807)	(3,807)	-	(3,807)
Change in ownership interest in subsidiaries	-	-	-	-	-	-	(21)	(21)	51	30
Total transactions to owners of the Company	-	-	-	-	-	-	(3,828)	(3,829)	51	(3,778)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	(11)	(11)
Issue of ordinary shares by a subsidiary	-	-	-	-	-	-	-	-	159	159
Total transactions to non-controlling interests	-	-	-	-	-	-	-	-	148	148
At 31 March 2015	133,333	66,667	25,150	(2,121)	5	(4,600)	293,860	378,961	10,881	389,842

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.

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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2016

	31 March 2016 RM'000	31 March 2015 RM'000
Profit after taxation for the financial year	26,056	20,776
Adjustments for:		
Amortisation of intangible assets	10,680	13,322
Amortisation of goodwill	42	42
Amortisation of prepaid lease payments	119	119
Depreciation of property, plant and equipment	9,370	9,190
Derivative gain on forward foreign currency contracts	327	(90)
Interest expense	5,288	5,898
Interest income	(3,432)	(6,918)
Unrealised gain on foreign exchange	(328)	(2,153)
Gain on disposal of property, plant and equipment	(219)	(158)
Loss on disposal of other investment	3	-
Goodwill written off	175	21
Allowance/(Net reversal) for impairment loss on receivables	1,515	(222)
Allowance for impairment loss on property, plant and equipment	-	2,323
Property, plant and equipment written off	99	90
Loss on disposal of subsidiary	1,702	-
Income tax expense	16,364	8,390
Share of results of equity accounted associate	110	72
Operating profit before changes in working capital	67,871	50,702
Change in inventories	2,050	7,022
Change in property development costs	(100,953)	(2,011)
Change in trade and other receivables, including derivatives and deposits and prepayments	31,075	(67,286)
Change in trade and other payables, including derivatives	1,253	8,228
Cash generated from/(used in) operations	1,296	(3,345)
Interest paid	(1,401)	(233)
Income tax paid	(15,746)	(9,318)
Net cash used in operating activities	(15,851)	(12,896)
Cash flows from investing activities		
Decrease in cash and cash equivalents pledged with licensed banks	(1,170)	(21)
Net increase in investment in subsidiary	(1,930)	(21)
Acquisition of a subsidiary	(5,250)	(1)
Acquisition of property, plant and equipment	(7,565)	(7,199)
Acquisition of goodwill	(175)	-
Proceeds from disposal of other investment	95	-
Proceeds from disposal of property, plant and equipment	1,423	768
Net cash from disposal of subsidiary	(16,402)	-
Proceeds from issuance of shares to non controlling interests	-	210
Interest received	3,134	6,070
Net cash used in investing activities	(27,840)	(194)

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FOR THE FOURTH QUARTER ENDED 31 MARCH 2016

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2016

	31 March 2016 RM'000	31 March 2015 RM'000
(continued)		
Cash flows from financing activities		
Net repayments of Islamic bonds	-	(28,959)
Net repayments of other loans and borrowings	(26,061)	(15,771)
Dividends paid to:		
- shareholders of the Company	(3,807)	(3,807)
- non-controlling interest	(1,942)	-
Interest paid	(3,077)	(6,565)
Net cash used in financing activities	(34,887)	(55,102)
Net decrease in cash and cash equivalents	(78,578)	(68,192)
Effects of exchange rate fluctuations on cash held	(238)	(975)
Cash and cash equivalents at beginning of financial year	175,349	244,516
Cash and cash equivalents at end of financial year	<u>96,533</u>	<u>175,349</u>

Note

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

Deposits, bank and cash balances	98,543	176,189
Less: Cash and cash equivalents pledged for banking facilities	(2,010)	(840)
Total cash and cash equivalents shown in consolidated statement of cash flows	<u>96,533</u>	<u>175,349</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.

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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 year ended 31 March 2016 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 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

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Notes to the consolidated interim financial statements

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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> , FRS 12, <i>Disclosure of Interests 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
Amendments to FRS 107, <i>Statement of Cash Flows – Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112, <i>Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
MFRS 15, <i>Revenue from Contract with Customers*</i>	1 January 2018
MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
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>	To be determined

* 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 31 March 2016.

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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 200 and 100 own shares as treasury shares at an average price of RM1.73 and RM1.79 per share respectively using internally generated funds in May 2015 and November 2015.

7. Dividends paid

	Individual Quarter 3 months ended 31 March 2016 RM'000	Cumulative Quarter 12 months ended 31 March 2016 RM'000
Ordinary final dividend paid in respect of the previous financial year	-	3,807

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 - Construction of telecommunication towers and share of rental proceeds from telecommunication towers as well as 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

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Notes to the consolidated interim financial statements

(continued)

8. Segment information (continued)

	Manufacturing	Works	Property development	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
For the 12 months ended 31 March 2016					
Segment revenue	191,370	84,774	86,829	21,339	384,312
Segment profit	24,668	9,793	6,809	3,665	44,935
Unallocated corporate expenses					(2,405)
Share of results of equity accounted associate					(110)
Profit before taxation					42,420
Tax expense					(16,364)
Profit for the financial year					26,056
For the 12 months ended 31 March 2015					
Segment revenue	181,431	88,561	44,788	19,061	333,841
Segment profit/(loss)	14,908	20,100	(6,056)	2,368	31,320
Unallocated corporate expenses					(2,082)
Share of results of equity accounted associate					(72)
Profit before taxation					29,166
Tax expense					(8,390)
Profit for the financial year					20,776

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(continued)

8. Segment information (continued)

	Cumulative Quarter	
	12 months ended	
	31 March 2016	31 March 2015
	RM'000	RM'000
Revenue from external customers		
Malaysia	377,912	328,965
Other countries	6,400	4,876
	384,312	333,841

9. Property, plant and equipment

a) Acquisitions and disposals

During the twelve months ended 31 March 2016, the Group acquired items of property, plant and equipment costing RM9.7 million (twelve months ended 31 March 2015: RM7.9 million), of which RM2.1 million (twelve months ended 31 March 2015: RM0.7 million) was in the form of finance lease assets.

During the twelve months ended 31 March 2016, the Group disposed of items of property, plant and equipment with a carrying amount of RM1.2 million (twelve months ended 31 March 2015: RM0.6 million), resulting in a net gain on disposal of RM0.2 million (twelve months ended 31 March 2015: RM0.2 million).

b) Valuations

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

10. Subsequent events

There were no material events subsequent to the end of the quarter under review.

11. Changes in composition of the Group

On 6 July 2015, Weida Property Sdn Bhd, a wholly-owned subsidiary of the Company, acquired the balance of 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 the Group's financial statements on the date of the acquisition was RM3.0 million. The Group recognised a decrease in non-controlling interest of RM0.3 million and a decrease in retained earnings of RM1.6 million.

On 10 November 2015, Weida Integrated Industries Sdn Bhd ("WII"), a wholly-owned subsidiary of the Company, entered into a sale of shares agreement ("SSA") with the related parties, Dato' Lee Choon Chin ("Dato' Lee") and Mr Jee Hon Chong ("Mr Jee") to acquire the entire equity interests in the issued and paid up share capital of Premium Fortune Sdn Bhd ("PFSB"), comprising 5,000 ordinary shares of RM1.00 each, for a total consideration of RM6.0 million ("the Proposed Share Acquisition"). Dato' Lee is the Group Executive Chairman and major shareholder of the Company. Whereas, Mr Jee is the executive director and shareholder of the Company. The Proposed Share Acquisition was completed on 5 January 2016. Consequently, PFSB has become a wholly owned subsidiary of WII with effect from 5 January 2016.

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Notes to the consolidated interim financial statements

(continued)

11. Changes in composition of the Group (continued)

The effects of the acquisition of PFSB on the Group's assets and liabilities on the date of the acquisition are as follows:

Effect of acquisition on the financial position of the Group	31 March 2016
	RM'000
Property, plant and equipment	5,455
Current tax recoverable	3
Cash and cash equivalents	14
Deferred tax liability	(246)
Trade and other payables	(747)
Net identifiable assets acquired	4,479
Goodwill arising from acquisition	785
	5,264
Less: Cash and cash equivalents acquired	(14)
Net cash outflow on acquisition	5,250

On 1 March 2016, the Company acquired the balance of 30% interest in Weida Towers Sdn Bhd ("WTSB") in cash, increasing its ownership from 70% to 100%. The carrying amount of WTSB's net assets in the Group's financial statements on the date of the acquisition was RM160,000. The Group recognised a decrease in non-controlling interest of RM49,000 and an increase in retained earnings of RM19,000.

On 18 March 2016, Weida Environmental Technology Sdn Bhd ("WET"), a 56% owned subsidiary of the Company disposed of 79% of its equity interest comprising 396,000 ordinary shares of RM1.00 each in the share capital of Renexus-Weida Sdn Bhd ("RW"), for a total cash consideration sum of RM316,000. Subsequent to the disposal, RW has ceased as a subsidiary of the Company via WET.

The disposal of RW is not presented separately from continuing operations in the condensed consolidated statement of profit or loss and other comprehensive income as it does not represent a major line of business in the Group. The effect of the disposal on the financial position of the Group is presented as follows:

Effect of disposal on the financial position of the Group	31 March 2016
	RM'000
Trade and other receivables	9,246
Deposits and prepayments	1
Cash and cash equivalents	16,718
Current tax recoverable	1
Trade and other payables	(25,567)
Non-controlling interests	(84)
Net assets and liabilities	315
Realisation of foreign exchange translation reserve	1,703
Loss on disposal of subsidiary	(1,702)
Consideration received, satisfied in cash	316
Cash and cash equivalents disposed of	(16,718)
Net cash outflow on disposal	(16,402)

12. Changes in contingent liabilities

As at 31 March 2016, the Group has, in the ordinary course of business, provided bank guarantees of RM18,222,000 to third parties in the capacity of the Group as the sub-contractors of, or suppliers to, projects.

As at 18 May 2016, the Group has, in the ordinary course of business, provided bank guarantees of RM4,952,000 to third parties in the capacity of the Group as the sub-contractors of, or suppliers to, projects.

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13. Capital commitments

	31 March 2016 RM'000	31 March 2015 RM'000
Property, plant and equipment		
Authorised but not contracted for	4,706	9,764
Contracted but not provided for	215	450
	4,921	10,214

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 and its subsidiaries have interests*

<u>Nature of transaction</u>	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Rental of premises	60	75	285	300
Purchase of finished goods	-	-	89	-
Rental of machinery	-	-	3	-
Survey fee	3	-	3	-

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 12 months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Progress billings for properties under development	(993)	(274)	(4,150)	(1,107)
Rental of premises	-	-	-	3
Purchase of equipment	4	-	4	-

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 12 months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Progress billings for properties under development	-	(58)	(82)	(184)

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15. Compensation to key management personnel

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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
Directors of the Company	430	429	3,859	5,829
Directors of subsidiaries and other key management personnel	704	681	3,953	4,941
	1,134	1,110	7,812	10,770

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 and current of other receivables is an amount due from a former associate of the Group amounting to RM3.0 million and RM2.0 million respectively (31.3.2015: non-current : 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.

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, 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 1st quarter ended 30 June 2015.

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.

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19. Trade and other payables (continued)

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 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 thereof.

Included in the other payables is a sum of RM7.3 million (31.03.2015: RM8.2 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.

21. Fair value hierarchy

In the three months ended 31 March 2016, 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 and profit before tax of RM384.3 million and RM42.4 million respectively in the current financial year ended 31 March 2016 (FYE 31 March 2015: RM333.8 million and RM29.2 million respectively), mainly due to an overall increase in contribution from manufacturing, property development and others segments of the Group.

Despite the lower revenue of RM77.2 million in the current quarter (4Q FYE 2015: RM119.4 million), the Group recorded an increase in profit before tax of RM13.4 million in the current quarter under review as compared to the RM11.1 million reported in the corresponding quarter ended 31 March 2015 as a result of increased profit contribution from manufacturing, property development and others segments.

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

a) Manufacturing

The manufacturing segment recorded a higher revenue of RM191.4 million in the current financial year (FYE 31 March 2015: RM181.4 million), mainly due to the strong demand in certain polyethylene engineering products.

The performance of the manufacturing segment has strengthened in the current financial year due to more favourable mix of products and customers, leading to an increase in profit of RM24.7 million, up by RM9.8 million from the last financial year ended 31 March 2015.

For the current quarter, this segment posted a lower segment revenue of RM36.3 million (4Q FYE 2015: RM45.7 million) due to lower demand in certain polyethylene engineering products in the current quarter. Despite that, this segment achieved higher segment profit of RM8.8 million (4Q FYE2015: RM2.1 million) due to more favourable mix of products and customers in the current quarter, supported by improved margin and lower overheads.

b) Works

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

In the current financial year, this segment posted lower revenue and segment profit of RM84.8 million and RM9.8 million respectively (4Q FYE2016: RM10.7 million and RM1.0 million respectively) as compared to the last financial year ended 31 March 2015 of RM88.6 million and RM20.1 million respectively (4Q FYE2015: RM51.2 million and RM11.0 million respectively) mainly due to the following factors:

- i) lower towers rental received and less construction work was done during the current financial year;
- ii) one off cost incurred in the current quarter; and
- iii) loss arising from disposal of subsidiary in the current quarter.

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22. Review of performance (continued)

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. In the current quarter, it generated segment profit of RM3.5 million (4Q FYE 2015: loss of RM1.1 million) on the back of an increase in revenue of RM24.4 million (4Q FYE 2015: RM18.4 million). Similarly, this segment achieved higher revenue and segment profit of RM86.8 million and RM6.8 million respectively for the current financial year ended 31 March 2016 against the same period in the last financial year (segment revenue of RM44.8 million and segment loss of RM6.0 million).

Profit contribution from Urbana Residences was partly offset by preparation expenses for the Group's proposed future developments located in Mont' Kiara and Cheras which caused slight distortion in the segment profit.

d) Others

This segment registered higher revenue of RM5.8 million in the current quarter (FYE 31 March 2016: RM21.3 million) as compared to the corresponding quarter of RM4.1 million (FYE 31 March 2015: RM19.1 million), mainly due to higher contribution from the collection of septic sludge activities under review.

Similarly, this segment achieved higher segment profit of RM1.2 million in the current quarter (FYE 31 March 2016: RM3.7 million) as compared to the corresponding quarter's loss of RM0.2 million (FYE 31 March 2015: RM2.4 million) due to the same reasons mentioned in the preceding paragraph.

23. Variation of results against preceding quarter

The Group achieved higher profit before tax of RM13.4 million in the current quarter under review as compared to RM9.1 million in the preceding quarter. However, there was a drop in revenue from RM104.0 million in the preceding quarter to RM77.2 million in the current quarter.

Analysis of performance of each operating segment is as follows:

- Manufacturing segment – achieved higher segment profit of RM8.8 million with revenue of RM36.3 million for the current quarter compared to segment profit of RM4.5 million with revenue of RM52.3 million in the preceding quarter mainly due to more favourable mix of products and customers in the current quarter.
- Works segment – posted lower revenue and segment profit of RM10.7 million and RM1.0 million respectively compared to RM18.4 million and RM2.0 million respectively in the preceding quarter, mainly due to the following factors:
 - (i) less towers were constructed during the current quarter;
 - (ii) one off cost incurred in the current quarter; and
 - (iii) loss on disposal of subsidiary in the current quarter.
- Property development segment - generated higher profit of RM3.5 million with revenue of RM24.4 million in the current quarter compared to profit of RM2.0 million with revenue of RM27.5 million in the preceding quarter, attributable to its on-going project, Urbana Residences in Ara Damansara.
- Others segment – achieved a slightly higher segment profit of RM1.2 million in the current quarter compared to RM1.1 million in the preceding quarter. This segment recorded a slight decrease in revenue of RM5.7 million in the current quarter against RM5.9 million in the preceding quarter.

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24. Prospects for the financial year ending 31 March 2017

The Malaysian economy remains resilient and marked a moderate growth amid the challenging external environment, including moderate global growth, declining commodity prices and high financial market volatility. The Malaysian economy registered a Gross Domestic Product (“GDP”) growth of 4.2% for the first quarter of 2016, the lowest since 2009 (1Q 2015: 5.7% and 4Q 2015: 4.5%), reflected the external shocks to the economy and cautious spending by the private sector. Notwithstanding the challenging backdrop globally and domestically, the Government estimates the GDP growth of 4.0% to 4.5% in 2016, driven by implementation of Government’s infrastructure development projects under the Eleventh Malaysia Plan (11th MP) and sustained by private sector spending.

The Group’s manufacturing segment is expected to hold steady barring significant market uncertainties. The Group will continue to benefit from the Budget 2016 (subsequent calibration) and the 11th MP, particularly in the areas of water supply, sanitation facilities, housing and general infrastructure developments such as roads, drainage and etc. The construction of the Pan Borneo Highway and the increasing activities in the Sarawak Corridor of Renewable Energy Region will remain a source of demand for the Group’s products. However, the weakened and volatiled Ringgit posed a challenge to the profit margin of manufacturing segment. The Group has taken measures for cost rationalisation to enhance the bottom line.

The contracts entered by the Group to construct telecommunication towers under Phase 1 of Time 3 Extension Programme in FYE 31 March 2015 will continue to contribute positively to the Group’s earnings for the financial year ending 31 March 2017. Moving forward, the Group expects to gain from the Government’s plan to increase the coverage and capacity of telecommunication infrastructure especially for the rural areas as per the Budget 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.

Despite these challenges and barring unforeseen circumstances, the Directors are cautiously optimistic of achieving satisfactory results for the Group for the financial year ending 31 March 2017 on the strength of the diversified base of the Group (see Note 8).

25. Financial estimate, profit forecast, projection or internal targets

Not applicable as no financial estimate, profit forecast, projection or internal targets was published.

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26. Income tax expense

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian - current year	1,715	1,669	13,381	7,551
- prior years	(14)	(411)	1,198	(584)
	1,701	1,258	14,579	6,967
Deferred tax expense/(income)				
- current year	4,661	872	2,127	1,414
- prior years	(467)	(26)	(342)	9
	4,194	846	1,785	1,423
Tax expense for the year	5,895	2,104	16,364	8,390

The Group's effective tax rates for the current 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 arising from loss making operations. However, the Group's effective tax rate for the corresponding quarter in the last financial year is lower than prima facie mainly due to the effect of foreign income of a subsidiary which is non-taxable.

27. Status of corporate proposals

Not applicable.

28. Utilisation of share proceeds

Not applicable.

29. Loans and borrowings

	31 March 2016 RM'000	31 March 2015 RM'000
Non-current		
Unsecured	16,071	23,215
Secured	30,411	35,342
	46,482	58,557
Current		
Unsecured	39,531	45,747
Secured	1,509	7,186
	41,040	52,933
Total	87,522	111,490

All borrowings are denominated in Ringgit Malaysia.

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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	4,903	4,576
- less than 1 year		

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 year.

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.

34. Profit for the financial year

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
<i>Profit is arrived at after charging:</i>				
Allowance for impairment loss on receivables	-	-	1,515	-
Amortisation of intangible assets	2,000	3,659	10,680	13,322
Amortisation of prepaid lease payments	30	30	119	119
Amortisation of goodwill	11	11	42	42
Depreciation of property, plant and equipment	2,313	2,375	9,370	9,190
Derivative loss on forward foreign exchange contract	372	62	327	-
Interest expenses	1,117	1,401	5,288	5,898
Goodwill written off	-	-	175	21
Loss on disposal of property, plant and equipment	-	12	-	-
Loss on disposal of other investment	-	-	3	-
Loss on disposal of subsidiary	1,702	-	1,702	-
Property, plant and equipment written off	13	10	103	90

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34. Profit for the financial year

and after crediting:

Derivative gain on forward foreign exchange contracts	-	81	-	90
Interest income	824	848	3,432	6,918
Gain on disposal of property, plant and equipment	24	-	219	158
Reversal of allowance for impairment loss on trade receivable	502	594	-	222
Unrealised gain on foreign exchange	1,423	1,835	328	2,153

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

35. Dividend payable

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

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 financial year by the weighted average number of ordinary shares in issue during the financial year.

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit for the financial year	7,527	8,986	26,056	20,776
Less: Amount attributable to non-controlling interests	42	(1,087)	(92)	(3,359)
Profit for the financial year attributable to owners of the Company	7,569	7,899	25,964	17,417
Weighted average number of ordinary shares in issue ('000)	126,895	126,895	126,895	126,895
Basic earnings per ordinary share (sen)	5.97	6.22	20.46	13.73

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36. Earnings per ordinary share

(a) *Basic earnings per ordinary share* (continued)

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 31 March 2016 is 126,894,499 (31 March 2015: 126,894,699).

(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.

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:

	31 March 2016 RM'000	31 March 2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	342,783	320,875
- Unrealised	(2,756)	(3,601)
	340,027	317,274
Share of accumulated losses from associate		
- Realised	(198)	(88)
	339,829	317,186
Less: Consolidation adjustments	(25,055)	(23,326)
Total Group retained earnings as per statement of changes in equity	314,774	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 25 May 2016.