WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2016

Consolidated Statement of Financial Position
As at 30 June 2016

	Note	30 June 2016 RM'000	31 March 2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		105,418	107,488
Prepaid lease payments		3,021	3,051
Investment in an associate		1,439	292
Goodwill		789	799
Other intangible assets	16	16,804	18,712
Other receivables		1,862	3,018
Other investments		228	228
Deferred tax assets		2,328	2,293
		131,889	135,881
Current assets			
Inventories		41,539	43,077
Property development costs		178,674	176,649
Trade and other receivables		117,090	133,203
Deposits and prepayments		4,581	3,613
Current tax recoverable		2,891	5,267
Cash and cash equivalents		123,780	98,543
		468,555	460,352
Asset classified as held for sale		868	868
		469,423	461,220
Total assets		601,312	597,101

Consolidated Statement of Financial Position

As at 30 June 2016

	Note	30 June 2016 RM'000	31 March 2016 RM'000
(continued)			
EQUITY			
Equity attributable to owners of the Company			
Share capital		66,667	66,667
Reserves		346,121	338,507
Treasury shares		(4,601)	(4,600)
		408,187	400,574
Non-controlling interests		9,939	9,674
Total equity		418,126	410,248
LIABILITIES			
Non-current liabilities			
Loans and borrowings	27	43,398	46,482
Deferred tax liabilities		12,199	11,885
		55,597	58,367
Current liabilities			
Trade and other payables	17	88,483	86,507
Derivative financial liabilities		42	327
Loans and borrowings	27	38,276	41,040
Current tax payable		788	612
		127,589	128,486
Total liabilities		183,186	186,853
Total equity and liabilities		601,312	597,101
Net assets per ordinary share attributable to owners of the Company, net of treasury shares (RM)		3.22	3.16

The consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial period ended 30 June 2016

	Note	Individual Quarter 3 months ended 30 June 2016 RM'000	Individual Quarter 3 months ended 30 June 2015 RM'000	Cumulative Quarter 3 months ended 30 June 2016 RM'000	Cumulative Quarter 3 months ended 30 June 2015 RM'000
Revenue	8	90,654	102,911	90,654	102,911
Operating profit		11,397	13,844	11,397	13,844
Interest expense		(795)	(1,387)	(795)	(1,387)
Interest income		1,249	849	1,249	849
Gain on disposal of other investments		-	123	-	123
Share of results of equity accounted associate		(29)	(24)	(29)	(24)
Profit before taxation	8	11,822	13,405	11,822	13,405
Income tax expense	24	(3,913)	(3,905)	(3,913)	(3,905)
Profit after taxation		7,909	9,500	7,909	9,500
Other comprehensive (loss)/income, net of tax					
Items that may be reclassified to profit or loss					
Foreign exchange translation differences for foreign operations		(30)	175	(30)	175
Other comprehensive (loss)/income for the financial period, net of tax		(30)	175	(30)	175
Total comprehensive income for the financial period, net of tax		7,879	9,675	7,879	9,675
Profit attributable to:					
Owners of the Company		7,644	9,382	7,644	9,382
Non-controlling interests		265	118	265	118
Profit for the financial period	32	7,909	9,500	7,909	9,500
Total comprehensive income attributable to:					
Owners of the Company		7,614	9,431	7,614	9,431
Non-controlling interests		265	244	265	244
Total comprehensive income for the financial period		7,879	9,675	7,879	9,675
Basic/Diluted earnings per ordinary share (sen)	34	6.02	7.39	6.02	7.39

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 2016 and the accompanying explanatory notes attached to this interim financial report.

Consolidated Statement of Changes in Equity

For the financial period ended 30 June 2016

		<----Attributable to owners of the Company ---->									
		Issued and fully paid ordinary shares		Non-Distributable				Distributable			
	Note	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	Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 April 2016		133,333	66,667	24,867	(1,145)	5	(4,600)	314,780	400,574	9,674	410,248
Realisation of revaluation reserve		-	-	(118)	-	-	-	118	-	-	-
Foreign exchange translation differences for foreign operations		-	-	-	*(30)*	-	-	-	*(30)*	-	*(30)*
Total other comprehensive loss for the financial period		-	-	-	(30)	-	-	-	(30)	-	(30)
Profit for the financial period		-	-	-	-	-	-	7,644	7,644	265	7,909
Total comprehensive (loss)/income for the financial period		-	-	-	(30)	-	-	7,644	7,614	265	7,879
Distributions to owners of the Company:											
- Own shares acquired	6	-	-	-	-	-	*(1)*	-	*(1)*	-	*(1)*
- Dividends to owners of the Company	33	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-	(1)	-	(1)	-	(1)
At 30 June 2016		133,333	66,667	24,749	(1,175)	5	(4,601)	322,542	408,187	9,939	418,126

Consolidated Statement of Changes in Equity

For the financial period ended 30 June 2015

		<----------Attributable to owners of the Company---------->									
		Issued and fully paid ordinary shares		Non-Distributable				Distributable			
	Note	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	Sub-total RM'000	Non- controlling interests RM'000	Total equity 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		-	-	(118)	-	-	-	118	-	-	-
Foreign exchange translation differences for foreign operations		-	-	-	*49*	-	-	-	*49*	*126*	*175*
Total other comprehensive income for the financial period		-	-	-	49	-	-	-	49	126	175
Profit for the financial period		-	-	-	-	-	-	9,382	9,382	118	9,500
Total comprehensive income for the financial period		-	-	-	49	-	-	9,382	9,431	244	9,675
Distributions to owners of the Company:											
- Own shares acquired		-	-	-	-	-	*0*	-	-	-	-
- Dividends to owners of the Company		-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-	0	-	-	-	-
At 30 June 2015		133,333	66,667	25,032	(2,072)	5	(4,600)	303,360	388,392	11,125	399,517

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report.

Consolidated Statement of Cash Flows

For the financial period ended 30 June 2016

	30 June 2016 RM'000	30 June 2015 RM'000
Profit after taxation for the financial period	7,909	9,500
Adjustments for:		
Amortisation of intangible assets	1,908	2,894
Amortisation of goodwill	10	10
Amortisation of prepaid lease payments	30	30
Depreciation of property, plant and equipment	2,229	2,300
Derivative loss/(gain) on forward foreign currency contracts	42	(104)
Interest expense	795	1,387
Interest income	(1,249)	(849)
Unrealised (gain)/loss on foreign exchange	(47)	452
Gain on disposal of property, plant and equipment	(15)	(126)
Gain on disposal of other investment	-	(123)
Net reversal for impairment loss on receivables	(8)	-
Property, plant and equipment written off	429	6
Income tax expense	3,913	3,905
Share of results of equity accounted associate	29	24
Operating profit before changes in working capital	15,975	19,306
Change in inventories	1,538	(4,683)
Change in property development costs	(2,025)	(106,431)
Change in trade and other receivables, including derivatives and deposits and prepayments	11,206	(7,663)
Change in trade and other payables, including derivatives	7,112	20,630
Cash generated from/(used in) operations	33,806	(78,841)
Interest paid	(276)	(355)
Income tax paid	(1,083)	(2,486)
Net cash from/(used in) operating activities	32,447	(81,682)
Cash flows from investing activities		
Decrease in cash and cash equivalents pledged with licensed banks	-	840
Net increase in investment in associate	(1,176)	-
Acquisition of property, plant and equipment	(359)	(540)
Proceeds from disposal of other investment	-	123
Proceeds from disposal of property, plant and equipment	15	327
Interest received	865	709
Net cash (used in)/from investing activities	(655)	1,459

Consolidated Statement of Cash Flows

For the financial period ended 30 June 2016

	30 June 2016 RM'000	30 June 2015 RM'000
(continued)		
Cash flows from financing activities		
Net (repayments of)/proceeds from other loans and borrowings	(6,068)	18,214
Interest paid	(450)	(960)
Net cash (used in)/from financing activities	(6,518)	17,254
Net increase/(decrease) in cash and cash equivalents	25,274	(62,969)
Effects of exchange rate fluctuations on cash held	(37)	(185)
Cash and cash equivalents at beginning of financial period	96,533	175,349
Cash and cash equivalents at end of financial period	121,770	112,195

Note

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

Deposits, bank and cash balances	123,780	112,195
Less: Cash and cash equivalents pledged for banking facilities	(2,010)	-
Total cash and cash equivalents shown in consolidated statement of cash flows	121,770	112,195

The consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report.

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 June 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 financial year ended 31 March 2016 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 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 2018 as mandated by the Malaysian Accounting Standards Board (“MASB”). As a result, the Group (including the transitioning entities) will continue to apply FRSs as their financial reporting framework to prepare their financial statements for annual periods ending on 31 March 2017 and 31 March 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 2016, 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 5, *Non-Current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*	1 January 2016
Amendments to FRS 7, *Financial Instruments*: *Disclosures (Annual Improvements 2012-2014 Cycle)*	1 January 2016
Amendments to FRS 10, *Consolidated Financial Statements,* FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associate and Joint Ventures-Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 11, *Joints Arrangements - Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 101, *Presentation of Financial Statement*	1 January 2016
Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets-Clarification of Acceptance Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 127, *Separate Financial Statements- Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*	1 January 2016

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 MASB but are not yet effective nor early adopted by the Group:

Standard/Amendment/Interpretation	Effective date
Amendments to FRS 107, *Statement of Cash Flows – Disclosure Initiative*	1 January 2017
Amendments to FRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
MFRS 15, *Revenue from Contracts with Customers*	1 January 2018
Clarifications to MFRS 15, *Revenue from Contracts with Customers*	1 January 2018
MFRS 9, *Financial Instruments* (*2014)*	1 January 2018
MFRS 16, *Leases*	1 January 2019
Amendments to FRS 10, *Consolidated Financial Statements* and FRS 128, *Investments in Associates and Joint Venture - Sale or Contribution to Assets between an Investor and its Associate or Joint Venture*	To be determined

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 June 2016.

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 RM1.73 per share using internally generated funds in May 2016.

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 and sale of high density polyethylene engineering ("HDPE") products, reclaimed rubber and trading of other specialised and technical engineering products
(b)	Works	-	Construction of telecommunication towers and share of rental proceeds of telecommunication towers as well as design, construction and installation of water supply, storage infrastructure and treatment systems, wastewater treatment specialised 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 as well as quarry operation

Notes to the consolidated interim financial statements

(continued)

8. Segment information (continued)

For the 3 months ended 30 June 2016	Manufacturing RM'000	Works RM'000	Property development RM'000	Others RM'000	Consolidated RM'000
Segment revenue	45,134	18,760	20,780	5,980	90,654
Segment profit	6,263	3,689	1,730	773	12,455
Unallocated corporate expenses					(604)
Share of results of equity accounted associate					(29)
Profit before taxation					11,822
Tax expense					(3,913)
Profit for the financial period					7,909
For the 3 months ended 30 June 2015					
Segment revenue	44,327	40,181	14,348	4,055	102,911
Segment profit	5,416	7,638	357	471	13,882
Unallocated corporate expenses					(453)
Share of results of equity accounted associate					(24)
Profit before taxation					13,405
Tax expense					(3,905)
Profit for the financial period					9,500

8. Segment information (continued)

	Cumulative Quarter 3 months ended	
	30 June 2016 RM'000	**30 June 2015 RM'000**
Revenue from external customers		
Malaysia	88,822	101,470
Other countries	1,832	1,441
	90,654	102,911

9. Property, plant and equipment

a) *Acquisitions and disposals*

During the three months ended 30 June 2016, the Group acquired items of property, plant and equipment costing RM0.6 million (three months ended 30 June 2015: RM0.5 million), of which RM0.2 million (three months ended 30 June 2015: RMNil) was in the form of finance lease assets.

During the three months ended 30 June 2016, the Group disposed of items of property, plant and equipment with a carrying amount of RMNil (three months ended 30 June 2015: RM0.2 million), resulting in a net gain on disposal of RM15,000 (three months ended 30 June 2015: RM0.1 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

There were no changes in the composition of the Group during the quarter under review.

12. Contingent assets and contingent liabilities

As at the date of this report, the Group does not have any contingent assets or contingent liabilities.

13. Capital commitments

	30 June 2016 RM'000	**31 March 2016 RM'000**
Property, plant and equipment		
Authorised but not contracted for	5,715	5,964
Contracted but not provided for	-	215
	5,715	6,179

(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 and its subsidiaries have interests*

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 June 2016 RM'000	**30 June 2015 RM'000**	**30 June 2016 RM'000**	**30 June 2015 RM'000**
Nature of transaction				
Rental of premises	60	75	60	75
Purchase of finished goods	-	89	-	89

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 June 2016 RM'000	**30 June 2015 RM'000**	**30 June 2016 RM'000**	**30 June 2015 RM'000**
Nature of transaction				
Progress billings for properties under development	(1,237)	(349)	(1,237)	(349)

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 June 2016 RM'000	**30 June 2015 RM'000**	**30 June 2016 RM'000**	**30 June 2015 RM'000**
Nature of transaction				
Progress billings for properties under development	-	(82)	-	(82)

15. Compensation to key management personnel

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 June 2016 RM'000	**30 June 2015 RM'000**	**30 June 2016 RM'000**	**30 June 2015 RM'000**
Directors of the Company	525	427	525	427
Directors of subsidiaries and other key management personnel	1,095	682	1,095	682
	1,620	1,109	1,620	1,109

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 payables

The Group through its subsidiaries, Loyal Paragon Sdn. Bhd. ("LPSB"), Good Axis Sdn. Bhd. ("GASB") and Atlas Arrow Sdn. Bhd. ("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 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 (31.03.2016: RM7.3 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.

18. 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 2016.

19. Fair value hierarchy

In the three months ended 30 June 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.

20. Review of performance

For the current quarter, the Group recorded lower revenue of RM90.7 million compared to RM102.9 million in the corresponding quarter in the previous financial year, mainly due to low revenue from the works division which is partly mitigated by higher revenue from manufacturing, property and other divisions. However, the effect of lower revenue contribution from work division was partly offset by a better margin from manufacturing, property development and other divisions of the Group. As a result, the Group recorded comparable margin with profit before taxation of RM11.8 million in current quarter ended 30 June 2016 compared to 1Q FYE 31 March 2016 of RM13.4 million.

No analysis on cumulative quarters is needed as this is the first quarter for the financial year under review.

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

a) Manufacturing

The manufacturing segment achieved a slight higher revenue of RM45.1 million in the current quarter (1Q FYE 31 March 2016: RM44.3 million), as demand in polyethylene engineering products maintained stable in the market driven by implementation of the Government infrastructure development projects under the Eleventh Malaysian Plan (“11th MP”).

The performance of the manufacturing segment has strengthened in the current quarter as compared to the corresponding quarter due to more favourable mix of products and customers, leading to an increase in profit of RM6.3 million from RM5.4 million in the corresponding quarter in the previous financial year.

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 quarter, this segment posted lower revenue and segment profit of RM18.8 million and RM3.7 million respectively (1Q FYE 31 March 2016: RM40.2 million and RM7.6 million respectively) mainly due to lower towers rental received and less construction work was done at the initial stage commencement of constructing new cluster of towers for the ongoing project in the current quarter.

c) Property development

In the current quarter, the Group recognised higher revenue of RM20.8 million as compared to RM14.3 million in the corresponding quarter in the previous financial year, contributed by higher percentage of physical completion achieved from its on-going first development project, Urbana Residences in Ara Damansara.

As a result of recognition of the revenue, the Group recorded higher segment profit of RM1.7 million as compared to RM0.3 million in the corresponding quarter in the previous financial year.

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

d) Others

This segment registered higher revenue of RM6.0 million in the current quarter as compared to the corresponding quarter in the previous financial year of RM4.1 million, mainly due to higher contribution from the collection of septic sludge activities in the current quarter under review.

Similarly, this segment achieved higher segment profit of RM0.8 million in the current quarter as compared to the corresponding quarter’s segment profit of RM0.5 million due to the same reason mentioned in the preceding paragraph.

(continued)

21. Variation of results against preceding quarter

The Group recorded higher revenue of RM90.7 million as compared to RM77.2 million in the preceding quarter due to higher contribution from manufacturing, works and others divisions which are partly offset by lower contribution from property development division. The Group's profit before tax for current quarter ended 30 June 2016 of RM11.8 million was slightly lower compared to 4Q FYE 31 March 2016 of RM13.4 million due to lower margin from manufacturing and property development and higher overhead costs from others divisions, reducing the favorable effect of higher margin from works division of the Group.

Analysis of performance of each operating segment is as follows:

- Manufacturing segment – achieved higher segment revenue of RM45.1 million as compared to RM36.8 million in the preceding quarter due to the implementation of the Government's 11th MP for improvement on infrastructure developments and also growth in private sector spending which lead to continuous trend of stable and increasing demand in certain polyethylene engineering products. However, the less favorable mix of products and customers in the current quarter lead to the lower segment profit of RM6.3 million as compared to RM8.9 million in the preceding quarter.

- Works segment – posted higher segment revenue and segment profit of RM18.8 million and RM3.7 million respectively compared to RM10.3 million and RM1.0 million respectively in the preceding quarter, mainly due to the following factors:
  (i) more construction work was done in the current quarter;
  (ii) one off cost incurred in the preceding quarter.

- Property development segment – generated lower profit of RM1.7 million with revenue of RM20.8 million in the current quarter compared to profit of RM3.5 million with revenue of RM24.4 million in the preceding quarter, due to lower construction works towards the completion stage of its on-going project, Urbana Residences in Ara Damansara as well as the preparation expenses for the Group's proposed future developments located at Mont' Kiara and Cheras.

- Others segment – achieved a slightly higher revenue of RM6.0 million in the current quarter compared to RM5.7 million in the preceding quarter mainly due to higher contribution from quarry operation in the current quarter. Despite higher revenue, this segment recorded a decrease in segment profit of RM0.8 million in the current quarter against RM1.2 million in the preceding quarter as a result of higher overhead costs incurred in the current quarter.

22. Prospects for the financial year ending 31 March 2017

According to the World Bank, global growth slowed to 2.4% in 2015. The global economy continued to go through a rough patch in 2Q2016. Malaysia's economic growth have slowed to 4% in the second quarter of 2016 from 4.2% in 1Q 2016. Notwithstanding the challenging backdrop globally and domestically, for Malaysia, domestic demand continues to be the main driver of growth. Private consumption will be supported by measures implemented by the Government which include the implementation of the Government infrastructure development projects under the 11th MP. Also, in July 2016, Bank Negara Malaysia had cut the overnight policy rate by 25 basis points to 3% to spur the local economy by ensuring that the domestic economy continues on a steady growth path amid stable inflation, supported by continued healthy financial intermediation in the economy.

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 11th MP's disproportionate focus on the rakyat, in particular the building of affordable homes by various government agencies will lead to sustained demand for polyethylene water tanks and pipes manufactured by the Group.

Construction of the RM28.0 billion Pan Borneo Highway spanning the lengths of Sarawak and Sabah is expected to offer attractive markets for the Group's products, including products for public utilities along the highway, such as water pipelines, electrical power conduits, telecom conduits and towers, drainage culverts, etc. The Group's polyethylene culverts are increasingly being accepted by both the government sector in road construction projects, and the private sector especially oil palm plantations for drainage infrastructure.

(continued)

22. Prospects for the financial year ending 31 March 2017 (continued)

The volatility of the Malaysian Ringgit will pose a challenge to the profit margins of the Group's manufactured products. However, the Group expects to be able to contain the effects with increased sales volume and various cost rationalisation processes.

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. With the increased demand from the public for enhancement in connectivity in urban, suburban and rural areas, 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 as a provider of environmental engineering solutions; such as in the field of water and wastewater treatment, septic sludge treatment and renewable energy.

On the property development front, the tightening of bank lending and weak economy has led to a consolidation of the market. As such, the Group is therefore taking a cautious approach with regards to the timing and launching of our other projects in Mont' Kiara and Cheras in the pipeline while preparing ourselves for the future with further development plans.

Despite these challenges and barring unforeseen circumstances, the Directors are 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.

23. Financial estimate, forecast, projection or internal targets

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

24. Income tax expense

	Individual Quarter 3 months ended		**Cumulative Quarter 3 months ended**	
	30 June 2016 RM'000	**30 June 2015 RM'000**	**30 June 2016 RM'000**	**30 June 2015 RM'000**
Current tax expense				
Malaysian - current period	3,635	3,721	3,635	3,721
- prior years	-	64	-	64
	3,635	3,785	3,635	3,785
Deferred tax expense				
- current period	229	120	229	120
- prior years	49	-	49	-
	278	120	278	120
Tax expense for the period	3,913	3,905	3,913	3,905

The Group's effective tax rates for the current quarter and corresponding 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.

25. Status of corporate proposals

Not applicable.

26. Utilisation of share proceeds

Not applicable.

27. Loans and borrowings

	30 June 2016 RM'000	31 March 2016 RM'000
Non-current		
Unsecured	14,285	16,071
Secured	29,113	30,411
	43,398	46,482
Current		
Unsecured	36,760	39,531
Secured	1,516	1,509
	38,276	41,040
Total	81,674	87,522

All borrowings are denominated in Ringgit Malaysia.

28. 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	2,694	2,652

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 2016.

29. 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.

30. Material litigation

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

31. 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 2016 in their report dated 20 June 2016.

(continued)

32. Profit for the financial period

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 June 2016 RM'000	**30 June 2015 RM'000**	**30 June 2016 RM'000**	**30 June 2015 RM'000**
Profit is arrived at after charging:				
Amortisation of intangible assets	1,908	2,894	1,908	2,894
Amortisation of prepaid lease payments	30	30	30	30
Amortisation of goodwill	10	10	10	10
Depreciation of property, plant and equipment	2,229	2,300	2,229	2,300
Derivative loss on forward foreign exchange contracts	42	-	42	-
Unrealised loss on foreign exchange	-	452	-	452
Property, plant and equipment written off	429	6	429	6
and after crediting:				
Derivative gain on forward foreign exchange contracts	-	104	-	104
Gain on disposal of property, plant and equipment	15	126	15	126
Net reversal of impairment loss on trade receivable	8	-	8	-
Gain on disposal of other investment	-	123	-	123

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

33. Dividend payable

A first and final single-tier exempt dividend of 3.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 March 2016, if approved at the forthcoming Annual General Meeting, will be payable on 27 October 2016 to Depositors whose names appear in the Record of Depositors on 10 October 2016.

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

(continued)

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

	Individual Quarter 3 months ended		**Cumulative Quarter 3 months ended**	
	30 June 2016 RM'000	**30 June 2015 RM'000**	**30 June 2016 RM'000**	**30 June 2015 RM'000**
Profit for the financial period	7,909	9,500	7,909	9,500
Less: Amount attributable to non-controlling interests	(265)	(118)	(265)	(118)
Profit for the financial period attributable to owners of the Company	7,644	9,382	7,644	9,382
Weighted average number of ordinary shares in issue ('000)	126,894	126,895	126,894	126,895
Basic earnings per ordinary share (sen)	6.02	7.39	6.02	7.39

The weighted average number of ordinary shares in issue during the current quarter 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 June 2016 is 126,894,340 (30 June 2015: 126,894,540).

(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.

(continued)

35. 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 June 2016 RM'000	31 March 2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	363,627	348,477
- Unrealised	(2,064)	(3,005)
	361,563	345,472
Share of accumulated losses from associate		
- Realised	(227)	(198)
	361,336	345,274
Less: Consolidation adjustments	(38,794)	(30,494)
Total Group retained earnings as per statement of changes in equity	322,542	314,780

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.

36. 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 26 August 2016.