Consolidated Statement of Financial Position

As at 31 December 2016

	Note	31 December 2016 RM'000	31 March 2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		103,763	107,488
Prepaid lease payments		2,962	3,051
Investment in an associate		1,387	292
Goodwill		768	799
Other intangible assets	16	12,989	18,712
Other receivables		1,107	3,018
Other investments		3	228
Deferred tax assets		985	2,293
		123,964	135,881
Current assets			
Inventories		69,071	43,077
Property development costs		163,004	176,649
Trade and other receivables		102,948	133,203
Deposits and prepayments		9,208	3,613
Current tax recoverable		3,834	5,267
Derivative financial assets		207	-
Cash and cash equivalents		117,235	98,543
		465,507	460,352
Asset classified as held for sale	17	868	868
		466,375	461,220
Total assets		590,339	597,101

Consolidated Statement of Financial Position
As at 31 December 2016

	Note	31 December 2016 RM'000	31 March 2016 RM'000
(continued)			
EQUITY			
Equity attributable to owners of the Company			
Share capital		66,667	66,667
Reserves		355,069	338,507
Treasury shares		(4,601)	(4,600)
		417,135	400,574
Non-controlling interests		10,796	9,674
Total equity		427,931	410,248
LIABILITIES			
Non-current liabilities			
Loans and borrowings	28	38,889	46,482
Deferred tax liabilities		14,067	11,885
		52,956	58,367
Current liabilities			
Trade and other payables	18	79,034	86,507
Derivative financial liabilities		-	327
Loans and borrowings	28	29,676	41,040
Current tax payable		742	612
		109,452	128,486
Total liabilities		162,408	186,853
Total equity and liabilities		590,339	597,101
Net assets per ordinary share attributable to owners of the Company, net of treasury shares (RM)		3.29	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 THIRD QUARTER ENDED 31 DECEMBER 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial period ended 31 December 2016

	Note	Individual Quarter 3 months ended 31 December 2016 RM'000	Individual Quarter 3 months ended 31 December 2015 RM'000	Cumulative Quarter 9 months ended 31 December 2016 RM'000	Cumulative Quarter 9 months ended 31 December 2015 RM'000
Revenue	8	60,400	104,019	239,920	307,147
Operating profit		7,018	9,516	31,327	30,569
Interest expense		(637)	(1,066)	(2,125)	(4,171)
Interest income		1,009	746	3,185	2,608
Gain on disposal of other investments		1,042	-	1,042	251
Goodwill written off		-	(28)	-	(187)
Share of results of equity accounted associate		(23)	(25)	(81)	(72)
Profit before taxation	8	8,409	9,143	33,348	28,998
Income tax expense	25	(3,801)	(3,457)	(12,220)	(10,469)
Profit after taxation		4,608	5,686	21,128	18,529
Other comprehensive income, net of tax					
Items that may be reclassified to profit or loss					
Foreign exchange translation differences for foreign operations		355	847	363	1,090
Other comprehensive income for the financial period, net of tax		355	847	363	1,090
Total comprehensive income for the financial period, net of tax		4,963	6,533	21,491	19,619
Profit attributable to:					
Owners of the Company		4,295	5,054	20,006	18,395
Non-controlling interests		313	632	1,122	134
Profit for the financial period	33	4,608	5,686	21,128	18,529
Total comprehensive income attributable to:					
Owners of the Company		4,650	6,008	20,369	19,136
Non-controlling interests		313	525	1,122	483
Total comprehensive income for the financial period		4,963	6,533	21,491	19,619
Basic/Diluted earnings per ordinary share (Sen)	35	3.39	3.98	15.77	14.50

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 31 December 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		-	-	(355)	-	-	-	355	-	-	-
Foreign exchange translation differences for foreign operations		-	-	-	*363*	-	-	-	*363*	-	*363*
Total other comprehensive profit for the financial period		-	-	-	363	-	-	-	363	-	363
Profit for the financial period		-	-	-	-	-	-	20,006	20,006	1,122	21,128
Total comprehensive income for the financial period		-	-	-	363	-	-	20,006	20,369	1,122	21,491
Distributions to owners of the Company:											
- Own shares acquired	6	-	-	-	-	-	*(1)*	-	*(1)*	-	*(1)*
- Dividends to owners of the Company	34	-	-	-	-	-	-	*(3,807)*	*(3,807)*	-	*(3,807)*
Total transactions with owners of the Company		-	-	-	-	-	(1)	(3,807)	(3,808)	-	(3,808)
At 31 December 2016		133,333	66,667	24,512	(782)	5	(4,601)	331,334	417,135	10,796	427,931

Consolidated Statement of Changes in Equity
For the financial period ended 31 December 2015

	Note	<------ Issued and fully paid ordinary shares		Non-Distributable				Distributable	Attributable to owners of the Company ------>		
		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		-	-	(228)	-	-	-	228	-	-	-
Foreign exchange translation differences for foreign operations		-	-	-	*741*	-	-	-	*741*	*349*	*1,090*
Total other comprehensive income for the financial period		-	-	-	741	-	-	-	741	349	1,090
Profit for the financial period		-	-	-	-	-	-	18,395	18,395	134	18,529
Total comprehensive income for the financial period		-	-	-	741	-	-	18,395	19,136	483	19,619
Distributions to owners of the Company:											
- Own shares acquired		-	-	-	-	-	*0*	-	-	-	-
- Dividends to owners of the Company		-	-	-	-	-	-	*(3,807)*	*(3,807)*	-	*(3,807)*
Total transactions with owners of the Company		-	-	-	-	-	0	(3,807)	(3,807)	-	(3,807)
Change in ownership interest in subsidiaries		-	-	-	-	-	-	(1,598)	(1,598)	(302)	(1,900)
At 31 December 2015		133,333	66,667	24,922	(1,380)	5	(4,600)	307,078	392,692	11,062	403,754

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 31 December 2016

	31 December 2016 RM'000	**31 December 2015 RM'000**
Profit after taxation for the financial period	21,128	18,529
Adjustments for:		
Amortisation of intangible assets	5,723	8,680
Amortisation of goodwill	31	31
Amortisation of prepaid lease payments	89	89
Depreciation of property, plant and equipment	6,613	7,057
Derivative gain on forward foreign currency contracts	(80)	(45)
Interest expense	2,125	4,171
Interest income	(3,185)	(2,608)
Unrealised loss on foreign exchange	76	1,095
Gain on disposal of property, plant and equipment	(81)	(195)
Gain on disposal of other investments	(1,042)	(251)
Goodwill written off	-	187
Net Allowance for impairment loss on receivables	2	2,017
Property, plant and equipment written off	489	90
Income tax expense	12,220	10,469
Share of results of equity accounted associate	81	72
Operating profit before changes in working capital	44,189	49,388
Change in inventories	(25,994)	1,513
Change in property development costs	13,645	(100,864)
Change in trade and other receivables, including derivatives and deposits and prepayments	19,353	(2,980)
Change in trade and other payables, including derivatives	396	26,886
Cash generated from/(used in) operations	51,589	(26,057)
Interest paid	(782)	(1,306)
Income tax paid	(7,489)	(7,802)
Net cash from/(used in) operating activities	43,318	(35,165)
Cash flows from investing activities		
Decrease in cash and cash equivalents pledged with licensed banks	(33)	(1,556)
Increase in investment in a subsidiary	-	(1,900)
Acquisition of goodwill	-	(187)
Net increase in investment in associate	(1,176)	-
Acquisition of property, plant and equipment	(3,118)	(5,197)
Proceeds from disposal of other investments	1,267	251
Net cash outflow from deconsolidation of a subsidiary	(18)	-
Proceeds from disposal of property, plant and equipment	165	1,352
Interest received	2,455	2,157
Net cash used in investing activities	(458)	(5,080)

Consolidated Statement of Cash Flows

For the financial period ended 31 December 2016

	31 December 2016 RM'000	31 December 2015 RM'000
(continued)		
Cash flows from financing activities		
Net repayments of other loans and borrowings	(19,178)	(26,338)
Dividend paid to:		
-Shareholders of the Company	(3,807)	(3,807)
Interest paid	(1,209)	(2,613)
Net cash used in financing activities	(24,194)	(32,758)
Net increase/(decrease) in cash and cash equivalents	18,666	(73,003)
Effects of exchange rate fluctuations on cash held	(6)	(749)
Cash and cash equivalents at beginning of financial period	96,533	175,349
Cash and cash equivalents at end of financial period	115,193	101,597

Note

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

Deposits, bank and cash balances	117,235	103,993
Less: Cash and cash equivalents pledged for banking facilities	(2,042)	(2,396)
Total cash and cash equivalents shown in consolidated statement of cash flows	115,193	101,597

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 31 December 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 – Disclosure Initiative*	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
Amendments to FRS 12, *Disclosure of Interest in Other Entities (Annual Improvements to FRS Standards 2014-2016 cycle*	1 January 2016

(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 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
FRS 15, *Revenue from Contracts with Customers*	1 January 2018
Clarifications to FRS 15, *Revenue from Contracts with Customers*	1 January 2018
FRS 9, *Financial Instruments (2014)*	1 January 2018
Amendments to FRS 1, *First Time Adoption of Financial Reporting Standards (Annual Improvements to FRS Standards 2014-2016 Cycle)*	1 January 2018
Amendments to FRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to FRS 4, *Insurance Contracts - Applying* FRS 9 *Financial Instruments with* FRS 4 *Insurance Contracts*	1 January 2018
Amendments to FRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to FRS Standards 2014-2016 Cycle)*	1 January 2018
Amendments to FRS 140, *Investment Property - Transfers of Investment Property*	1 January 2018
IC Interpretation 22, *Foreign Currency Transactions and Advance Considerations*	1 January 2018
FRS 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 31 December 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 200 own shares as treasury shares at an average price of RM1.68 per share using internally generated funds in May 2016 and November 2016.

(continued)

7. Dividends paid

	Individual Quarter 3 months ended 31 December 2016 RM'000	Cumulative Quarter 9 months ended 31 December 2016 RM'000
Ordinary final dividend paid in respect of the previous financial year	3,807	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 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

(continued)

8. Segment information (continued)

For the 9 months ended 31 December 2016	Manufacturing RM'000	Works RM'000	Property development RM'000	Others RM'000	Consolidated RM'000
Segment revenue	125,171	48,086	48,920	17,743	239,920
Segment profit	17,645	8,293	6,796	2,683	35,417
Unallocated corporate expenses					(1,988)
Share of results of equity accounted associate					(81)
Profit before taxation					33,348
Tax expense					(12,220)
Profit for the financial period					21,128
For the 9 months ended 31 December 2015					
Segment revenue	155,049	74,040	62,472	15,586	307,147
Segment profit	15,870	8,763	3,292	2,488	30,413
Unallocated corporate expenses					(1,343)
Share of results of equity accounted associate					(72)
Profit before taxation					28,998
Tax expense					(10,469)
Profit for the financial period					18,529

8. Segment information (continued)

	Cumulative Quarter 9 months ended	
	31 December 2016 RM'000	**31 December 2015 RM'000**
Revenue from external customers		
Malaysia	234,185	302,402
Other countries	5,735	4,745
	239,920	307,147

9. Property, plant and equipment

a) *Acquisitions and disposals*

During the nine months ended 31 December 2016, the Group acquired items of property, plant and equipment costing RM3.3 million (nine months ended 31 December 2015: RM7.3 million), of which RM0.2 million (nine months ended 31 December 2015: RM2.1 million) was in the form of finance lease assets.

During the nine months ended 31 December 2016, the Group disposed of items of property, plant and equipment with a carrying amount of RM84,000 (nine months ended 31 December 2015: RM1.1 million), resulting in a net gain on disposal of RM81,000 (nine months ended 31 December 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

Serrisa Sinar Bhd ("Serrisa") is a structured entity established to issue Islamic Bonds to finance the acquisition of rights to share rental proceeds of telecommunication towers. Following the adoption of FRS 10, the Group considers control exists in Serrisa as the Group is exposed and has right to variable returns from its involvement in Serrisa. In financial year 2017, the Islamic Bonds were fully settled and Serrisa was deconsolidated from the Group.

The effect of the deconsolidation on the financial position of the Group is presented as follows:

Effect of deconsolidation on the financial position of the Group	**31 December 2016 RM'000**
Cash and cash equivalents	18
Accrual	(1)
Provision for taxation	(17)
Net assets and liabilities	-
Cash and cash equivalents deconsolidated	(18)
Net cash outflow on arising from deconsolidation of a subsidiary	(18)

12. Contingent assets and contingent liabilities

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

(continued)

13. Capital commitments

	31 December 2016 RM'000	31 March 2016 RM'000
Property, plant and equipment		
Authorised but not contracted for	2,129	5,964
Contracted but not provided for	3,600	215
	5,729	6,179

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 9 months ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Nature of transaction				
Rental of premises	66	80	186	225
Purchase of finished goods	-	-	-	89
Rental of motor vehicle	(22)	-	(22)	-
Service charge	(13)	-	(13)	-
Survey charge	3	-	3	-
Rental of machinery	-	3	-	3

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Nature of transaction				
Progress billings for properties under development	(65)	(1,750)	(4,023)	(3,157)
Purchase of equipment	-	4	-	4

(continued)

15. Compensation to key management personnel

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Directors of the Company	325	431	3,659	3,429
Directors of subsidiaries and other key management personnel	831	706	6,515	3,249
	1,156	1,137	10,174	6,678

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. Assets classified as held for sale

In last financial year, a subsidiary of the Group entered into a settlement agreement with two (2) of its customers. Pursuant to the settlement agreement, the debts owing to be the subsidiary by the two (2) customers, was settled by way of set-off against a residential property which the customers are joint beneficial owner. The Group is committed to a plan to sell the said property and has appointed an estate agent to secure a purchaser.

18. 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 RM4.6 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.

19. 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.

20. Fair value hierarchy

In the three months ended 31 December 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.

21. Review of performance

For the current quarter, the Group recorded lower revenue of RM60.4 million (nine months ended 31 December 2016: RM239.9 million) compared to RM104.0 million in 3Q FYE 31 March 2016 (nine months ended 31 December 2015: RM307.1 million), mainly due to low revenue from all the segments of the Group. However, the impact from lower revenue was partly offset by higher profit margin and it leads to marginally reduced in profit before taxation of RM8.4 million in the current quarter (3Q FYE 31 March 2016: RM9.1 million).

However, for the cumulative quarters' results, the Group recorded higher profit before taxation of RM33.3 million in the current financial period ended 31 December 2016 (nine months ended 31 December 2015: RM29.0 million) due to better contribution from both manufacturing and property development divisions.

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

a) Manufacturing

The manufacturing segment achieved a lower revenue of RM41.5 million in the current quarter and RM125.2 million for nine months ended 31 December 2016 (3Q FYE 31 March 2016: RM52.2 million and nine months ended 31 December 2015: RM155.0 million) is mainly attributable to lower demand in polyethylene engineering products.

However, the profit margin of the manufacturing segment has improved in the current quarter as compared to the corresponding quarter due to more favorable mix of products and customers, leading to higher segment profit of RM6.8 million in the current quarter (nine months ended 31 December 2016: RM17.6 million) as compared to RM4.5 million in 3Q FYE 31 March 2016 (nine months ended 31 December 2015: RM15.9 million) respectively.

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 RM14.1 million and RM1.3 million respectively (3Q FYE 31 March 2016: RM18.4 million and RM2.0 million respectively) mainly due to less construction work done in the current quarter.

Similarly, this segment recorded lower revenue and segment profit of RM48.1 million and RM8.3 million respectively in the current financial period (nine months ended 31 December 2015: revenue of RM74.0 million and segment profit of RM8.8 million). However, it achieved an improved segment margin in the current financial period due to unrealised foreign exchange loss from an overseas project and an one off expense incurred in FYE 31 March 2016.

c) Property development

In the current quarter, there is no additional revenue recognised (nine months ended 31 December 2016: RM48.9 million) as compared to RM27.5 million in the corresponding quarter in the previous financial year (nine months ended 31 December 2015: RM62.5 million) as the revenue had been recognised based on the units sold upon handed over vacant possession of the Group's first development project, Urbana Residences in Ara Damansara, which was successfully completed in preceding quarter.

The Group recorded higher segment profit of RM6.8 million for the current financial year as compared to RM3.3 million in the corresponding cumulative quarters 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.

(continued)

21. Review of performance (continued)

d) Others

This segment registered slightly lower revenue and profit before tax of RM4.7 million and RM0.6 million in the current quarter as compared to the corresponding quarter in the previous financial year of RM5.9 million and RM1.1 million, mainly due to lower contribution from the collection and treatment of septic sludge despite of higher extraction and processing of quarry stone in the current quarter under review.

For nine months ended 31 December 2016, this segment recorded higher revenue of RM17.7 million as compared to last financial period of RM15.6 million due to higher extraction and processing of quarry stone. As a result, there is an increase in segment profit from RM2.5 million in the last financial period to RM2.7 million in the current financial period.

22. Variation of results against preceding quarter

The Group recorded lower revenue of RM60.4 million as compared to RM88.9 million in the preceding quarter due to lower contribution from all divisions except manufacturing division. The reduced revenue has resulted in lower profit before tax for current quarter ended 31 December 2016 of RM8.4 million as compared to 2Q FYE 31 March 2017 of RM13.1 million.

Analysis of performance of each operating segment is as follows:

- Manufacturing segment: achieved higher segment revenue of RM41.5 million as compared to RM38.5 million in the preceding quarter due to the higher demand in polyethylene engineering products. Also as a result of more favorable mix of products and customers in the current quarter, higher segment profit of RM6.8 million as compared to RM4.5 million in the preceding quarter.
- Works segment: posted lower segment revenue and segment profit of RM14.1 million and RM1.3 million respectively compared to RM15.2 million and RM3.3 million respectively in the preceding quarter, mainly due to less construction work done in the current quarter.
- Property development segment: no additional revenue recognised in the current quarter compared to revenue of RM28.1 million in the preceding quarter, as the revenue had been recognised based on the units sold upon handed over vacant possession of Urbana Residence project in Ara Damansara which was fully completed and handover in the preceding quarter.
- Others segment: achieved lower revenue of RM4.8 million in the current quarter compared to RM7.0 million in the preceding quarter mainly due to lower contribution from both septic sludge treatment and quarry operation in the current quarter. It led to lower segment profit of RM0.6 million in the current quarter against RM1.3 million in the preceding quarter.

23. Prospects for the financial year ending 31 March 2017

The prospect for Malaysia's economy remains upbeat despite significant headwinds such as falling revenue from a weaker commodities market and concerns over political uncertainty. While household debt is forecast to remain relatively high, domestic consumption is also forecast to remain resilient, backed by a strong labour market and prudent fiscal measures.

Malaysia's economy maintained a steady growth rate in 2016, though expansion may come under pressure in year 2017. Malaysia's economy is seen growing at 4.5% in 2017 on strong private consumption but will continue to suffer from weak commodity prices and slowing private investment.

(continued)

23. Prospects for the financial year ending 31 March 2017 (Continued)

The manufacturing sector in Malaysia continued to deteriorate in December 2016, impacted by lower production and worsening new orders. Meanwhile, weakness in the ringgit continued to weigh heavily on goods producers' cost burdens, with input prices rising at the sharpest rate in the series history.

As announced in the Budget 2017 and 11th Malaysia Plan ("11th MP"), in line with the strategies to strengthen Malaysia's economy, growth in the construction sector is expected and continues to be propelled by the infrastructure projects, urban housing and affordable housing segments. The government initiatives in infrastructure such as the new highways of West Malaysia namely West Coast Expressway, Lebuhraya Pantai Timur and the Klang Valley Mass Rapid Transit Line 2 provide good opportunities for our group's products. Also, as Sarawak moves into the second year of the 11th MP this year, one of the mega projects for instance the construction of the Pan Borneo Highway Sarawak is expected to move into full swing.

The Group's manufacturing segment is expected to benefit particularly in products for public utilities in relation to the above infrastructures, such as water tanks, septic tanks, water pipelines, electrical power conduits, telecom conduits and towers and drainage culverts. 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.Increasing volatility in the capital markets and the resultant uncertainties due to foreign exchange fluctuations may continue to pose a challenge to the profit margin of our manufactured products. However, the Group expects to contain the effect with increased sales volume arising from the above mentioned opportunities and various cost rationalization as well as increasing the price for our products.

The contracts entered by the Group to construct telecommunication towers under Phase 1 of Time 3 Extension Programme will continue to contribute positively to the Group's earnings for the financial year ending 31 March 2017. The Group foresees opportunity for work division in previous Budget 2016 and recent announced Budget 2017 on Government's plan to improve telecommunication infrastructure especially internet access to ensure greater internet connectivity coverage.

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.

In 2016, the property prices across the country have been driven down by the few events such as the depreciation of the ringgit, tightening of lending standards by banks and efforts taken by the government to curb speculation in property. Despite softening in property market due to the economic factors highlighted, the Group's first foray development project, Urbana Residence project in Ara Damansara was successfully accomplished. Smooth handing over of keys has been carried throughout the last quarter of year 2016 and the process being reciprocated with very encouraging customers' compliments. The Group will continue to maintain and enhance after sales services to customers.

The property market outlook for year 2017 will remain slow and challenging like in year 2016. The Group will adopt right marketing strategy and taking a cautious approach to become more sensitive to the market and to focus on consumers' want 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.

Moving forward, given the above mentioned prospects and despite the global economic downturn, stringent lending requirements by financial institutions, and weak consumer sentiment, the Directors will ensure continuous efforts in achieving sustainable results for the Group for the financial year ending 31 March 2017 on the strength of the diversified base of the Group.

(continued)

24. Financial estimate, forecast, projection or internal targets

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

25. Income tax expense

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 December 2016 RM'000	**31 December 2015 RM'000**	**31 December 2016 RM'000**	**31 December 2015 RM'000**
Current tax expense				
Malaysian - current period	1,514	4,351	8,025	11,666
- prior years	626	954	946	1,212
	2,140	5,305	8,971	12,878
Deferred tax expense/(income)				
- current period	1,712	(1,973)	3,251	(2,534)
- prior years	(51)	125	(2)	125
	1,661	(1,848)	3,249	(2,409)
Tax expense for the period	3,801	3,457	12,220	10,469

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

26. Status of corporate proposals

Not applicable.

27. Utilisation of share proceeds

Not applicable.

28. Loans and borrowings

	31 December 2016 RM'000	**31 March 2016 RM'000**
Non-current		
Unsecured	10,714	16,071
Secured	28,175	30,411
	38,889	46,482
Current		
Unsecured	28,398	39,531
Secured	1,278	1,509
	29,676	41,040
Total	68,565	87,522

All borrowings are denominated in Ringgit Malaysia.

(continued)

29. 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	3,792	3,872

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.

30. 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.

31. Material litigation

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

32. 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.

33. Profit for the financial period

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Profit is arrived at after charging:				
Allowance for impairment loss on receivables	14	99	2	2,017
Amortisation of intangible assets	1,908	2,893	5,723	8,680
Amortisation of prepaid lease payments	29	29	89	89
Amortisation of goodwill	11	10	31	31
Depreciation of property, plant and equipment	2,199	2,390	6,613	7,057
Goodwill written off	-	28	-	187
Unrealised loss on foreign exchange	12	-	76	1,095
Property, plant and equipment written off	26	52	489	90
Derivative loss on forward foreign exchange contract	-	202	-	-

(continued)

33. Profit for the financial period (continued)

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
and after crediting:				
Derivative gain on forward foreign exchange contracts	11	-	80	45
Gain on disposal of property, plant and equipment	68	34	81	195
Gain on disposal of other investment	1,042	-	1,042	251
Unrealised gain on foreign exchange	-	413	-	-

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

34. 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, approved at the Annual General Meeting, held on 26 August 2016, was paid 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.

35. 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 9 months ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Profit for the financial period	4,608	5,686	21,128	18,529
Less: Amount attributable to non-controlling interests	(313)	(632)	(1112)	(134)
Profit for the financial period attributable to owners of the Company	4,295	5,054	20,006	18,395
Weighted average number of ordinary shares in issue ('000)	126,894	126,895	126,894	126,895
Basic earnings per ordinary share (sen)	3.39	3.98	15.77	14.50

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

(continued)

35. Earnings per ordinary share (continued)

(a) Basic earnings per ordinary share (continued)

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 31 December 2016 is 126,894,299 (31 December 2015: 126,894,500).

(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.

36. Breakdown of realised and unrealised profits or losses

	31 December 2016 RM'000	**31 March 2016 RM'000**
Total retained earnings of the Company and its subsidiaries:		
- Realised	380,723	348,477
- Unrealised	(3,972)	(3,005)
	376,751	345,472
Share of accumulated losses from associate		
- Realised	(279)	(198)
	376,472	345,274
Less: Consolidation adjustments	(45,138)	(30,494)
Total Group retained earnings as per consolidated statement of changes in equity	331,334	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.

37. 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 22 February 2017.