WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

Consolidated Statement of Financial Position
As at 31 March 2017

	Note	31 March 2017 RM'000	31 March 2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		109,810	107,488
Prepaid lease payments		2,932	3,051
Investment in an associate		1,361	292
Goodwill		341	799
Other intangible assets	16	11,498	18,712
Other receivables		-	3,018
Other investments		3	228
Deferred tax assets		1,559	2,293
		127,504	135,881
Current assets			
Inventories		69,062	43,077
Property development costs		158,863	176,649
Trade and other receivables		106,799	133,203
Deposits and prepayments		7,444	3,613
Current tax recoverable		3,900	5,267
Cash and cash equivalents		119,043	98,543
		465,111	460,352
Asset classified as held for sale	17	868	868
		465,979	461,220
Total assets		593,483	597,101

Consolidated Statement of Financial Position
As at 31 March 2017

	Note	31 March 2017 RM'000	31 March 2016 RM'000
(continued)			
EQUITY			
Equity attributable to owners of the Company			
Share capital		66,667	66,667
Reserves		352,815	338,507
Treasury shares		(4,601)	(4,600)
		414,881	400,574
Non-controlling interests		11,640	9,674
Total equity		426,521	410,248
LIABILITIES			
Non-current liabilities			
Loans and borrowings	28	19,226	46,482
Deferred tax liabilities		14,575	11,885
		33,801	58,367
Current liabilities			
Trade and other payables	18	79,722	86,507
Derivative financial liabilities		40	327
Loans and borrowings	28	52,739	41,040
Current tax payable		660	612
		133,161	128,486
Total liabilities		166,962	186,853
Total equity and liabilities		593,483	597,101
Net assets per ordinary share attributable to owners of the Company, net of treasury shares (RM)		3.27	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 FOURTH QUARTER ENDED 31 MARCH 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 March 2017

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Revenue	8	61,489	77,165	301,409	384,312
Operating profit		245	15,518	31,572	46,329
Interest expense		(522)	(1,118)	(2,647)	(5,289)
Interest income		1,262	824	4,447	3,432
Gain/(Loss) on disposal of other investments		-	-	1,042	(3)
Gain/(Loss) on disposal of a subsidiary/deconsolidation		36	(1,702)	36	(1,702)
Goodwill written off		-	-	-	(175)
Share of results of equity accounted associate		(26)	(38)	(107)	(110)
Profit before taxation	8	995	13,484	34,343	42,482
Income tax expense	25	(2,022)	(5,898)	(14,242)	(16,367)
(Loss)/Profit after taxation		(1,027)	7,586	20,101	26,115
Other comprehensive income, net of tax					
Items that may be reclassified to profit or loss					
Foreign exchange translation differences for foreign operations		(383)	(739)	(20)	351
Realisation of foreign exchange reserve upon disposal of a subsidiary		-	1,703	-	1,703
Other comprehensive (loss)/ income for the financial period/year, net of tax		(383)	964	(20)	2,054
Total comprehensive (loss)/ income for the financial period/year, net of tax		(1,410)	8,550	20,081	28,169
(Loss)/Profit attributable to:					
Owners of the Company		(1,871)	7,628	18,135	26,023
Non-controlling interests		844	(42)	1,966	92
(Loss)/Profit for the financial period/year	33	(1,027)	7,586	20,101	26,115
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(2,254)	7,862	18,115	26,998
Non-controlling interests		844	688	1,966	1,171
Total comprehensive (loss)/income for the financial period/year		(1,410)	8,550	20,081	28,169
Basic/Diluted (loss)/earnings per ordinary share (Sen)	35	(1.48)	6.01	14.29	20.51

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.

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2017

		<------------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		-	-	(473)	-	-	-	473	-	-	-
Foreign exchange translation differences for foreign operations		-	-	-	*(20)*	-	-	-	*(20)*	-	*(20)*
Total other comprehensive profit for the financial year		-	-	-	(20)	-	-	-	(20)	-	(20)
Profit for the financial year		-	-	-	-	-	-	18,135	18,135	1,966	20,101
Total comprehensive income for the financial year		-	-	-	(20)	-	-	18,135	18,115	1,966	20,081
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 March 2017		133,333	66,667	24,394	(1,165)	5	(4,601)	329,581	414,881	11,640	426,521

WEIDA (M) BHD (Company No. 504747-W)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 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 2015		133,333	66,667	25,150	(2,121)	5	(4,600)	293,860	378,961	10,881	389,842
Realisation of revaluation reserve		-	-	(283)	-	-	-	283	-	-	-
Foreign exchange translation differences for foreign operations		-	-	-	*(727)*	-	-	-	*(727)*	*1,078*	*351*
Realisation of foreign exchange reserve upon disposal of a subsidiary		-	-	-	*1,703*	-	-	-	*1,703*	-	*1,703*
Total other comprehensive income for the financial year		-	-	-	976	-	-	-	976	1,078	2,054
Profit for the financial year		-	-	-	-	-	-	26,023	26,023	92	26,115
Total comprehensive income for the financial year		-	-	-	976	-	-	26,023	26,999	1,170	28,169
Distributions to owners of the Company:											
- Own shares acquired		-	-	-	-	-	*0*	-	*0*	-	*0*
- Dividends to owners of the Company	7	-	-	-	-	-	-	*(3,807)*	*(3,807)*	-	*(3,807)*
		-	-	-	-	-	0	(3,807)	(3,807)	-	(3,807)
Change in ownership interest in subsidiaries		-	-	-	-	-	-	(1,579)	(1,579)	(351)	(1,930)
Total transactions with owners of the Company		-	-	-	-	-	0	(5,386)	(5,386)	(351)	(5,737)
Disposal of a subsidiary		-	-	-	-	-	-	-	-	(84)	(84)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(1,942)	(1,942)
Total transactions with non-controlling interests		-	-	-	-	-	-	-	-	(2,026)	(2,026)
At 31 March 2016		133,333	66,667	24,867	(1,145)	5	(4,600)	314,780	400,574	9,674	410,248

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 year ended 31 March 2017

	31 March 2017 RM'000	31 March 2016 RM'000
Profit after taxation for the financial year	20,101	26,115
Adjustments for:		
Amortisation of intangible assets	7,671	10,680
Amortisation of goodwill	-	42
Amortisation of prepaid lease payments	119	119
Depreciation of property, plant and equipment	8,801	9,308
Derivative (gain)/loss on forward foreign currency contracts	(40)	361
Interest expense	2,647	5,289
Interest income	(4,447)	(3,432)
Unrealised foreign exchange loss/(gain)	126	(425)
Gain on disposal of property, plant and equipment	(79)	(220)
(Gain)/Loss on disposal of other investments	(1,042)	3
(Gain)/Loss on disposal of a subsidiary	(36)	1,702
Goodwill written off	-	175
(Reversal of)/Allowance of impairment loss on receivables	(378)	53
Bad debt written off	-	1,325
Property, plant and equipment written off	559	99
Inventory written off	63	611
Income tax expense	14,242	16,367
Share of results of equity accounted associate	107	110
Operating profit before changes in working capital	48,414	68,282
Change in inventories	(26,168)	1,438
Change in property development costs	17,786	(99,182)
Change in trade and other receivables, deposits and prepayments, including derivatives	17,388	31,470
Change in trade and other payables, including derivatives	2,140	451
Cash generated from operations	59,560	2,459
Interest paid	(959)	(201)
Income tax paid	(9,461)	(15,744)
Net cash from/(used in) operating activities	49,140	(13,486)
Cash flows from investing activities		
Increase in cash and cash equivalents pledged with licensed banks	(44)	(1,170)
Net increase in investment in subsidiaries	-	(1,930)
Acquisition of goodwill	-	(175)
Acquisition of a subsidiary	-	(5,250)
Net increase in investment in associate	(1,176)	-
Acquisition of property, plant and equipment	(11,584)	(7,565)
Proceeds from disposal of other investments	1,268	95
Net cash inflow/(outflow) from deconsolidation/disposal of subsidiaries	213	(16,402)
Proceeds from disposal of property, plant and equipment	100	1,423
Interest received	3,923	3,119
Net cash used in investing activities	(7,300)	(27,855)

Consolidated Statement of Cash Flows
For the financial year ended 31 March 2017

	31 March 2017 RM'000	**31 March 2016 RM'000**
(continued)		
Cash flows from financing activities		
Net repayments of other loans and borrowings	(15,777)	(26,061)
Dividends paid to:		
-Owners of the Company	(3,807)	(3,807)
-Non-controlling interests	-	(1,942)
Interest paid	(1,561)	(6,041)
Net cash used in financing activities	(21,145)	(37,851)
Net increase/(decrease) in cash and cash equivalents	20,695	(79,192)
Effects of exchange rate fluctuations on cash held	(240)	377
Cash and cash equivalents at beginning of financial year	96,534	175,349
Cash and cash equivalents at end of financial year	116,989	96,534

Note

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

Deposits, bank and cash balances	119,043	98,544
Less: Cash and cash equivalents pledged for banking facilities	(2,054)	(2,010)
Total cash and cash equivalents as shown in consolidated statement of cash flows	116,989	96,534

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.

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 2017 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, 2016 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 or proportionately consolidates the first-mentioned entities), the Group is currently 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 period ending 31 March 2018.

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 12, *Disclosure of Interest in Other Entities (Annual Improvements to FRS Standards 2014-2016 cycle*	1 January 2017
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
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

Migration to new accounting framework

The Group's financial statements for the annual period beginning on 1 April 2018 and subsequent annual periods will be prepared in accordance with the MFRSs issued by the MASB and International Financial Reporting Standards.

(continued)

2. Significant accounting policies (continued)

2.2 Standards, amendments and interpretations yet to be effective

In the interim, the MASB has issued a number of accounting standards, amendments and interpretations under the MFRSs framework, which will be effective for adoption for annual periods beginning on or after 1 April 2018:

Standard/Amendment/Interpretation	Effective date
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
Amendments to MFRS 1, *First Time Adoption of Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*	1 January 2018
Amendments to MFRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 4, *Insurance Contracts - Applying* MFRS 9 *Financial Instruments with* MFRS 4 *Insurance Contracts*	1 January 2018
Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*	1 January 2018
Amendments to MFRS 140, *Investment Property - Transfers of Investment Property*	1 January 2018
IC Interpretation 22, *Foreign Currency Transactions and Advance Considerations*	1 January 2018
MFRS 16, *Leases*	1 January 2019

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 2017.

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.

Notes to the consolidated interim financial statements

(continued)

7. Dividends paid

	Individual Quarter 3 months ended 31 March 2017 RM'000	Cumulative Quarter 12 months ended 31 March 2017 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 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 12 months ended 31 March 2017	Manufacturing RM'000	Works RM'000	Property development RM'000	Others RM'000	Consolidated RM'000
Segment revenue	161,709	64,914	50,148	24,638	301,409
Segment profit before taxation	20,572	9,553	3,010	3,843	36,978
Unallocated corporate expenses					(2,528)
Share of results of equity accounted associate					(107)
Profit before taxation					34,343
Tax expense					(14,242)
Profit for the financial year					20,101
For the 12 months ended 31 March 2016					
Segment revenue	191,831	84,312	86,830	21,339	384,312
Segment profit before taxation	24,729	9,794	6,809	3,665	44,997
Unallocated corporate expenses					(2,405)
Share of results of equity accounted associate					(110)
Profit before taxation					42,482
Tax expense					(16,367)
Profit for the financial year					26,115

8. Segment information (continued)

	Cumulative Quarter 12 months ended	
	31 March 2017 RM'000	**31 March 2016 RM'000**
Revenue from external customers		
Malaysia	293,586	377,912
Other countries	7,823	6,400
	301,409	384,312

9. Property, plant and equipment

a) Acquisitions and disposals

During the twelve months ended 31 March 2017, the Group acquired items of property, plant and equipment costing RM11.8 million (twelve months ended 31 March 2016: RM9.7 million), of which RM0.2 million (twelve months ended 31 March 2016: RM2.1 million) was in the form of finance lease assets.

During the twelve months ended 31 March 2017, the Group disposed of items of property, plant and equipment with a carrying amount of RM21,000 (twelve months ended 31 March 2016: RM1.2 million), resulting in a net gain on disposal of RM79,000 (twelve months ended 31 March 2016: RM0.2 million).

b) Valuations

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

10. Subsequent events

On 28 April 2017, Asaljuru Weida Sdn Bhd, a 49% owned associated company of Weida Medic Development Sdn Bdn., which in turn is a wholly-owned subsidiary of the Company, has entered into Concession Agreement with the Government of Malaysia as represented by the Minister of Health in relation to the upgrading of Hospital Umum Sarawak by way of development of new buildings, on a public private partnership by way of private financing initiatives under the build, lease, maintain and transfer model. The Concession shall be for a period of 20 years, comprising a construction period of 3 years, followed by asset management services and the operation and management services of the Medi-Hotel and Car Park for a period of 17 years thereafter.

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 wholly-owned subsidiary of the Company, Weida Green Industries Sdn. Bhd. has on 22 March 2017 disposed of its entire equity interest in Weida Eco Rubber Sdn. Bhd. ("WERSB") comprising 100,000 ordinary shares. Thereby, WERSB has ceased as a wholly-owned subsidiary of the Company on 22 March 2017.

(continued)

11. Changes in composition of the Group (continued)

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

Effect of deconsolidation/disposal on the financial position of the Group	**31 March 2017 RM'000**
Property, plant and equipment	94
Inventories	120
Trade and other receivables	20
Deposit and prepayment	7
Cash and cash equivalents	37
Trade and other payables	(46)
Accrual	(1)
Provision for taxation	(17)
Net assets and liabilities	214
Gain on disposal of a subsidiary	36
Consideration received	250
Cash and cash equivalents deconsolidated/disposed of	(37)
Net cash inflow on arising from deconsolidation/disposal of a subsidiary	213

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

	31 March 2017 RM'000	**31 March 2016 RM'000**
Property, plant and equipment		
Authorised but not contracted for	1,544	5,964
Contracted but not provided for	275	215
	1,819	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 12 months ended**	
	31 March 2017 RM'000	**31 March 2016 RM'000**	**31 March 2017 RM'000**	**31 March 2016 RM'000**
Nature of transaction				
Rental of premises	63	60	249	285
Sale of goods	(3)	-	(3)	-
Purchase of finished goods	-	-	-	89
Rental of motor vehicle	-	-	(22)	-
Service charge	-	-	13	-
Consultancy fee paid	-	-	3	3
Rental of machinery	-	3	-	3

14. Material related party transactions (continued)

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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2017 RM'000	**31 March 2016 RM'000**	**31 March 2017 RM'000**	**31 March 2016 RM'000**
Nature of transaction				
Progress billings for properties under development	-	(1,079)	(4,023)	(4,236)
Purchase of equipment	-	4	-	4
Acquisition of a subsidiary	-	6,000	-	6,000
Disposal of a subsidiary	-	(316)	-	(316)

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 2017 RM'000	**31 March 2016 RM'000**	**31 March 2017 RM'000**	**31 March 2016 RM'000**
Directors of the Company	2,244	430	5,903	3,859
Directors of subsidiaries and other key management personnel	932	704	7,447	3,953
	3,176	1,134	13,350	7,812

16. Other intangible assets

Other intangible assets mainly 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.

(continued)

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 March 2017, 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 financial year, the Group recorded lower revenue of RM301.4 million (FYE 31 March 2016: RM384.3 million) and profit before tax of RM34.3 million (FYE 31 March 2016: RM42.5 million) respectively as compared to previous financial year but with better profit margin achieved. The lower revenue for current financial year was mainly due to lower contribution from manufacturing, works and property development segments

As for the current quarter results, the Group recorded lower revenue and profit before tax recorded at RM61.5 million (4Q FYE 31 March 2016: RM77.2 million) and RM1 million (4Q FYE March 2016: RM13.5 million) respectively as compare to the corresponding quarter in previous financial year. The decrease in revenue in the current quarter was mainly attributed to lower revenue recognition from property development segment but mitigated by higher revenue from the other segments though overall lower profit margin has resulted in lower profit before tax.

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

a) Manufacturing

The manufacturing segment's revenue for the current financial year amounting to RM161.7 million is lower than previous financial year of RM191.8 million due to lower demand in polyethylene engineering products but with higher favorable mix of products and customers, a comparable profit margin was achieved with profit before tax recorded at RM20.6 million as compared to RM24.7 million in previous financial year.

In current quarter, the manufacturing segment recorded slightly higher revenue of RM36.5 million (4Q FYE 31 March 2016: RM36.2 million), as higher demand in polyethylene engineering products. The profit margin of the manufacturing segment has dropped in the current quarter as compared to the corresponding quarter due to less favorable mix of products and customers. It leads to a lower segment profit of RM3.0 million in the current quarter as compared to RM8.9 million in 4Q FYE 31 March 2016.

21. Review of performance (continued)

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 recorded lower revenue of RM64.9 million (FYE 31 March 2016: RM84.3 million) with slight decrease in segment profit of RM9.5 million (FYE 31 March 2016: RM9.8 million), mainly due to less construction work done but the impact was mitigated by higher profit margin achieved.

Higher revenue and segment profit of RM16.8 million and RM1.2 million respectively (4Q FYE 31 March 2016: RM10.7 million and RM1.0 million respectively) posted for this segment in current quarter mainly due to more construction works done but the result was offset with higher expenses in current quarter as compared to the corresponding quarter in previous financial year.

c) Property development

In the current financial year, this segment recorded lower revenue of RM50.1 million (FYE 31 March 2016: RM86.8 million) mainly attributable to the completion of Urbana Residence project in Ara Damansara in September 2016 with segment profit of RM3.0 million (FYE 31 March 2016: RM6.8 million) compared to previous financial year.

In the current quarter, it recorded lower revenue of RM1.2 million recognised on additional completed units sold as compared to RM24.3 million in the corresponding quarter in the previous financial year where higher project revenue recognised based on higher construction works done.

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 recorded higher revenue of RM24.6 million for FYE 31 March 2017 as compared to last financial year of RM21.4 million due to higher extraction and processing of quarry stone. There is slight increase in segment profit from RM3.7 million in the last financial year to RM3.8 million in the current financial year driven by lower profit margin derived though higher revenue recorded.

This segment registered higher revenue of RM6.9 million in the current quarter as compared to the corresponding quarter in the previous financial year of RM5.8 million, mainly due to higher contribution from both collection and treatment of septic sludge and also higher extraction and processing of quarry stone in the current quarter under review. This segment recorded a minimal decrease in segment profit before tax of RM1.2 million in the current quarter due to higher expenses incurred.

22. Variation of results against preceding quarter

The Group achieved higher revenue of RM61.5 million as compared to RM60.4 million in the preceding quarter due to higher contribution from all divisions except manufacturing division. However, due to higher operating expenses incurred for all divisions except for others division, the Group recorded lower profit before tax for current quarter ended 31 March 2017 of RM1.0 million as compared to 3Q FYE 31 March 2017 of RM8.4 million.

Analysis of performance of each operating segment is as follows:

- Manufacturing segment: achieved lower segment revenue of RM36.5 million as compared to RM41.5 million in the preceding quarter due to the lower demand in polyethylene engineering products. Also as a result of less favorable mix of products and customers in the current quarter, lower segment profit of RM3.0 million as compared to RM6.8 million in the preceding quarter.

(continued)

22. Review of performance (continued)

Analysis of performance of each operating segment is as follows (continued):

- Works segment: posted higher segment revenue of RM16.8 million compared to RM14.1 million in the preceding quarter mainly due to more construction work done in the current quarter. However, it recorded a slightly lower profit of RM1.2 million in the current quarter as compared to RM1.3 million in preceding quarter due to higher expenses incurred in the current quarter.

- Property development segment: this segment recorded revenue of RM1.2 million on the additional completed units sold as compared to no revenue recognised in the preceding quarter attributable to the completion of Urbana Residence project in Ara Damansara in September 2016 and coupled with there were no additional completed units sold in preceding quarter. However, it recorded a segment loss of RM3.8 million due to higher expenses incurred on the other ongoing projects in the current quarter.

- Others segment: achieved higher revenue and segment profit of RM6.9 million and RM1.2 million respectively in the current quarter compared to RM4.8 million and RM0.6 million respectively in the preceding quarter mainly due to higher revenue contribution from both septic sludge treatment and quarry operation though impact contra off with higher expenses incurred in quarry operation.

23. Prospects for the financial year ending 31 March 2018

The growth in domestic demand is the main source of GDP growth and is expected to marginally improve to 4.5% for this year and rebound slightly to 4.9% in 2018. Growth in domestic demand for this year is supported by robust growth in private expenditures. Private consumption is projected to grow at 5.8%, a bit slower than last year's growth of 6.1% as consumers are more cautious on the back of rising household debt and prices. An upward pressure on prices poses a setback to consumption growth. Higher crude oil prices and a depreciated ringgit will contribute towards a higher cost-push inflation expectation.

According to the Malaysian Institute of Economic Research quarterly survey, Malaysian businesses have turned optimistic on the short-term outlook for the economy with stronger sales in the manufacturing sector while consumer sentiment was only slightly improved though far from optimistic, compared with the last quarter of 2016. The quarterly business conditions and consumer sentiments surveys showed that businesses turned positive on the short-term outlook for the first time in 10 quarters in the first quarter of 2017, while consumer sentiment was still bogged down by issues to do with personal finances and labour market conditions remaining flat due to dim job prospects.

As announced in the Budget 2017 and 11^{th} Malaysia Plan (“11^{th} 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 11^{th} 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. Also, with the government’s focus on providing affordable homes and the continued construction of housing units, these projects will provide the continued demand for our products.

Besides, the China’s current aggressive investments in ports and rail links in Malaysia under its mega belt-road regional economic expansion projects in Malaysia once completed will alter trade routes in the region. The double-track five-year East Coast Rail Line project due to begin this year will connect ports on the east and west coasts of Peninsular Malaysia and will alter current regional trade routes, which ply between the busy Straits of Malacca and the South China Sea via Singapore. This project will bring vast economic benefits and opportunities (trade and logistics services will be further enhanced) to Malaysia. However, there are some effects to be considered arising from China’s capital control to curb outflow of funds in order to stabilize yuan’s rate and also recently, international ratings agency Moody's downgraded China's credit rating for the first time in nearly 30 years over its growing debt.

(continued)

23. Prospects for the financial year ending 31 March 2018 (Continued)

The Group's manufacturing segment is expected to benefit particularly in products for public utilities in relation to the above infrastructures and projects, 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 Group foresees opportunity for work division in previous Budget 2016 and announced Budget 2017 on Government's plan to improve telecommunication infrastructure especially internet access to ensure greater internet connectivity coverage.

The construction industry's growth last year was very much driven by infrastructure projects and is expected to grow by eight percent to RM170 million this year, boosted by the numerous mega infrastructure projects in the Malaysia.

On 28 April 2017, Group has secured a 20-year government concession worth RM351 million to build new buildings and facilities for the Sarawak General Hospital under a build-lease-maintain-transfer model. The concession is expected to contribute positively to the earnings of the Group in future financial years.

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 been successfully 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 market is indeed softer across the country due to macro-economic factors such as the depreciation of the ringgit, tightening of lending standards by banks and efforts taken by the government to curb speculation in property. Furthermore, this coincides with a weakening in consumer sentiment brought on by increased cost of living and uncertainties in the local and global economies. 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 had 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.

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 2018 on the strength of the diversified base of the Group.

24. Financial estimate, forecast, projection or internal targets

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

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

(continued)

25. Income tax expense

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2017 RM'000	**31 March 2016 RM'000**	**31 March 2017 RM'000**	**31 March 2016 RM'000**
Current tax expense				
Malaysian - current period/year	2,564	1,717	10,589	13,383
- prior years	(643)	(16)	303	1,196
	1,921	1,701	10,892	14,579
Deferred tax expense/(income)				
- current period/year	(222)	4,664	3,029	2,130
- prior years	323	(467)	321	(342)
	101	4,197	3,350	1,788
Tax expense for the period/year	2,022	5,898	14,242	16,367

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 March 2017 RM'000	**31 March 2016 RM'000**
Non-current		
Unsecured	8,929	16,071
Secured	10,297	30,411
	19,226	46,482
Current		
Unsecured	32,911	39,531
Secured	19,828	1,509
	52,739	41,040
Total	71,965	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	5,211	5,171

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 year

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Profit is arrived at after charging:				
Allowance for impairment loss on receivables	-	-	-	528
Amortisation of intangible assets	1,948	2,00	7,671	10,680
Amortisation of prepaid lease payments	30	30	119	119
Amortisation of goodwill	-	11	-	42
Depreciation of property, plant and equipment	2,188	2,251	8,801	9,308
Goodwill written off	-	-	-	175
Unrealised loss on foreign exchange	50	-	126	320
Property, plant and equipment written off	70	9	559	99
Derivative loss on forward foreign exchange contract	40	361	-	316
Loss on disposal of other investments	-	-	-	3

(continued)

33. Profit for the financial year (continued)

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
and after crediting:				
Derivative gain on forward foreign exchange contracts	-	-	40	-
Gain on disposal of property, plant and equipment	-	25	79	220
Gain on disposal of other investment	-	-	1,042	-
Reversal of allowance for impairment loss on receivables	-	1,489	378	-
Unrealised gain on foreign exchange	-	775	-	-
Gain on disposal of subsidiaries	36	-	36	-

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

34. Dividends 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/year.

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
(Loss)/Profit for the financial period/year	(1,027)	7,586	20,101	26,115
(Less)/Add: Amount attributable to non-controlling interests	(844)	42	(1,966)	(92)
(Loss)/Profit for the financial period/year attributable to owners of the Company	(1,871)	7,628	18,135	26,023
Weighted average number of ordinary shares in issue ('000)	126,894	126,895	126,894	126,895
Basic (loss)/earnings per ordinary share (sen)	(1.48)	6.01	14.29	20.51

(continued)

35. Earnings per ordinary share (continued)

(a) Basic (loss)/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 March 2017 is 126,894,299 (31 March 2016: 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 March 2017 RM'000	**31 March 2016 RM'000**
Total retained earnings of the Company and its subsidiaries:		
- Realised	383,611	348,477
- Unrealised	(6,735)	(3,005)
	376,876	345,472
Share of accumulated losses from associate		
- Realised	(305)	(198)
	376,571	345,274
Less: Consolidation adjustments	(46,990)	(30,494)
Total Group retained earnings as per consolidated statement of changes in equity	329,581	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 30 May 2017.