WEIDA (M) BHD (504744-W)

annual report 2012

WEIDA

WEIDA (M) BHD

(504747-W)

A BALANCED SUSTAINABLE GROWTH

annual report

2012

www.weida.com.my

Cover Rationale

The cover and the slogan reflect our beliefs that growth needs to be well strategised and planned. That is why our business is based on pursuing growth through a well charted and balanced growth trajectory. Our people, driven by our corporate vision and core values, embody our commitment towards excellence in achieving the triple bottom line of profit, people and environment.



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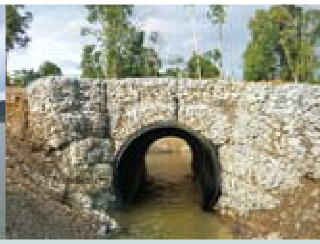
Vision Statement

We aspire to be a leading player in delivering innovative utility infrastructure, sustainable environmental solutions and building premium properties for a greener and healthier living.

Core Values

- Excellence and innovation in our products and services to ensure highest value and quality for our customers
- Responsibility and commitment in protecting the interests of all our stakeholders
- Corporate responsibility towards the well-being of our community and the sustainability of our environment
- Business sustainability through constant improvement, strategic planning and risk management



CORPORATE PROFILE

Weida (M) Bhd ("WEIDA") is a diversified company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 7111) since 2001. Founded in 1983, today WEIDA's team extends over 1600 professionals and support personnel in Malaysia, Republic of The Philippines and the Middle East. WEIDA and its subsidiaries ("the Group") maintain a keen focus on delivering balanced, viable and targeted solutions across its synergised divisions: manufacturing, environmental engineering, oil palm plantation and property development.

PRODUCT BRAND NAMES

Manufacturing: Overview

WEIDA is the leading manufacturer of high density polyethylene ("HDPE") products in Malaysia. Being a one-stop solutions provider in the water, wastewater and environmental sectors, we provide end-to-end engineering infrastructure products to cater to the growing demands for premium HDPE products.

WEIDA caters to over 20,000 metric tonnes of total production capacity per annum at our diversified facilities that span over 120,000 square metres. Our products are designed and manufactured in compliance with Malaysia and international standards, satisfying the relevant technical specifications and performance criteria. Apart from our products being certified by SIRIM and IKRAM, our manufacturing facilities are also ISO9001 certified. These are assurances that our products are of the highest standards and meet the stringent requirements of the markets we serve.

Having invested intensively in research and development activities, we have developed proprietary technologies in the manufacturing of large tanks and pipes, mould design and fabrications, material formulation and compounding as well as HDPE welding and fabrications. To stay connected to the technological development of the manufacturing industry, WEIDA established and maintains strong partnership with international manufacturing technology affiliates.

manufacturing

Manufacturing: Product Brand Names

WEIDA offers more than 200 types of HDPE products produced by 6 manufacturing facilities across Malaysia and the Republic of Philippines using proprietary technology spearheaded by our research and development unit and a team of over 70 engineers.

Our proprietary products are flexible in design and easy to install, therefore reducing labour costs. The durability of our products also significantly reduces the cost of maintenance.

- POLYSTOR® POLYETHYLENE TANK
- AQUASTOR™ Premium & Double Layer HDPE Water Tank
- AQUASLIM
- POLYPASS® PACKAGED ACTIVATED SLUDGE SYSTEM
- ECOSEPT™ SEPTIC TANK
- FLOLINE 3-W® HDPE FLAPGATE
- FLOLINE 3-W® TRIPLE WALL PROFILED HDPE PIPE
- WEIDA® DOUBLE WALL CORRUGATED HDPE PIPE
- WEIDALINE® HDPE PIPE
- WEIDALINE® SUBSOIL DRAINAGE PIPE
- ECORREX
- ECOFINE™
- D-STOR™ STORAGE TANK FOR DIESEL
- DURAbin® The New Generation Household Bin
- POLYCHEM™ POLYETHYLENE CHEMICAL TANK
- DURA-WALL
- ECOTRAP CENTRALISED OIL AND GREASE INTERCEPTOR
- filterMAX
- POLYLITER® WASTE MANAGEMENT SOLUTIONS BULKBINS
- POLYLITER® WASTE MANAGEMENT SOLUTIONS REFUSE BINS
- POLYPlanter™ Planter Box
- WEIDAFLOAT® PONTOONS AND MARINA SYSTEM
- POLYTRAP® SOLIDS AND GREASE INTERCEPTOR
- TrafSAFE
- WEIDACRAFT®
- WEIDA PUR MEMBRANE TREATMENT PLANT
- WEIDABrite
- AQUALIFE™
- COSMIC® PLAYGROUND SYSTEMS
- POLYSTOR RAINSAVER™

BUSINESS ACTIVITIES

Environmental Engineering

OVERVIEW

Through our manufacturing capabilities, WEIDA is able to provide environmental engineering solutions which consist of water resource management, renewable energy and environmental conservation as well as pipeline services.

The synergy and convergence of solutions, coupled with our design-and-build approach have made us unique as our environmental friendly products are designed to fully support our clients' sustainability objectives.

Our customers also benefit from broad access to a wealth of global expertise and experiences through our active involvement and strong alliances with a network of international technology partners across the globe.

BUSINESS ACTIVITIES

Water Resource Management

WATER INFRASTRUCTURE

Water Storage Systems

Utilising advanced rotational moulding processes that produces single-piece and seamless construction, WEIDA's water storage tanks are leak proof, durable and resistant to corrosion. These engineering-grade HDPE tanks such as our POLYSTOR® and AQUASTOR™ are available in a wide range of sizes and capacities, making it not only suitable for domestic and residential use but also for commercial, industrial and municipal applications.

Apart from our HDPE water storage tanks, our technological partnership with the renowned LIPP Bio Plus GmbH of Germany has also allowed us to employ the state-of-the-art LIPP double-fold technology into the construction of large-sized tanks with greater speed and efficiency as well as minimal disturbances to the existing environment; in line with our values for sustainability.

BUSINESS ACTIVITIES

Water Resource Management (continued)

Water Treatment Systems

As a provider of comprehensive, innovative and cost-effective water treatment solutions, WEIDA was among the first in Malaysia to offer the state-of-the-art membrane filtration systems. These systems, available as pre-packaged units or stand-alone treatment plants produce high quality water filtration with superior levels of reliability and consistency.

Based on our client's requirements, WEIDA also incorporates both biological and chemical-based water treatment solutions onto large treatment plants.

Potable Water Distribution Network

WEIDA provides engineering-grade piping solutions for the distribution of potable water and supplies a wide range of pipe fittings and accessories. Our strength also lies in our technical assistance in pipeline design, pipe laying as well as installation and welding works. WEIDALINE® HDPE pipes are lightweight, highly flexible and resistant to chemicals, ultraviolet rays and impact. These distinct attributes gives it prominent advantages over conventional metal and concrete pipes, making it an ideal choice for applications into water distribution, gas pipelines, cable conduits as well as irrigations and other agricultural applications.

Water Resource Management (continued)

WASTEWATER INFRASTRUCTURE

Wastewater Treatment

Focused on countering pollution and protecting our local water resources, WEIDA has over 20 years of experience in developing and providing a full spectrum of expertise in wastewater treatment solutions through planning, engineering construction, operation and maintenance, to process optimisation of various types of wastewater treatment systems, including conventional activated sludge ("CAS") process, extended aeration ("EA") process, biological nutrient removal ("BNR") process and the membrane bioreactor ("MBR") process.

WEIDA is the largest septic tank manufacturer in Malaysia, providing septic tank systems designed specifically for both domestic and commercial applications. The ECOSEPT™ septic tanks, WEIDA's premium grade HDPE single-piece moulded tanks are suitable for domestic sewage application as it is designed to suit local sewage flows and loading parameters.

Sewer Network

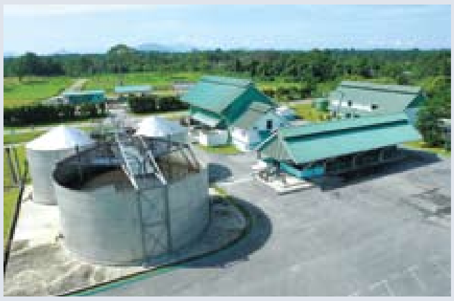
Ensuring efficient and safe transfer of wastewater from residential and commercial establishments to a wastewater treatment plant is a heavy responsibility that WEIDA takes on with pride. WEIDA's Double Wall Corrugated HDPE pipes are ideal for underground or above ground gravity and low pressure applications in the civil works and waste management sectors as they are highly resistant to the chemical corrosions from soils and sewerage effluents with extreme pH levels.

WEIDA is the market leader in the supply of prefabricated modular sewerage treatment plants ("STP"), suitable for decentralised treatment systems by employing the EA process. POLYPASS® Packaged Activate Sludge Systems are fast to install, durable and reliable, making them suitable for applications into housing estates, schools and government buildings.

We also design-and-build large scale centralised municipal wastewater treatment plants, incorporating biogas power generation from anaerobic digestion of sewerage sludge with membrane technology for recycling the treated effluents into industrial applications. This integration allows us to preserve water resources and reduce our carbon emission, in line with our values for energy and environmental sustainability.

BUSINESS ACTIVITIES

Water Resource Management (continued)



Total Solutions

WEIDA offers end-to-end solutions in wastewater management, ranging from management, operation to maintenance of wastewater treatment plants both locally and overseas. Our credibility stems from our over 20 years of extensive experience and expertise in offering a wide spectrum of wastewater treatment solutions optimised in process design and treatment capabilities.

Within Malaysia, we have been entrusted to operate and manage the septic sludge treatment plants in Kuching, Sibu and Miri on a long-term contract basis. Outside Malaysia, WEIDA has been awarded the turnkey contract to study, design and build wastewater and water treatment plants in Damascus. The project was a bilateral government initiative between Syrian Arab Republic and Malaysia.

BUSINESS ACTIVITIES

Water Resource Management (continued)

STORMWATER MANAGEMENT

To transform and realise our waterways' potentials, integrated stormwater management at source is required as the dynamics of stormwater demands modern state-of-the-art engineering solutions to mitigate the adverse effects it may have on our environment. Under the River of Life initiative by the Government of Malaysia, our country is in the midst of transforming our waterways into clean, odourless and beautiful waterways essential for social and economic growth.

With that in mind, WEIDA has taken the initiative to partner with Hydro International PLC, a UK leading expert and pioneer in stormwater control and management with over 40 years of experience in helping local communities to meet environmental challenges. With this synergy, WEIDA's integrated stormwater management solutions are engineered to address the aesthetics and quality of a city's stormwater defence, enabling the ecosystem to thrive and prosper without being silted by grit and pollutants.

BUSINESS ACTIVITIES

Renewable Energy & Environmental Conservation

BIOGAS PLANT

Biogas plant is an effective and efficient way of treating wastewater with high organic pollutants in an environmentally friendly manner. Besides reducing waste and greenhouse emissions, biogas generated can be used to generate clean energy in the form of electricity and heat. Electricity generated are used internally or uploaded to the power grid. Some of WEIDA's applications of biogas plant include but is not limited to:

Livestock Farming

The building of the biogas plant by WEIDA for Integrated Centralised Livestock Farming in Kuching, Sarawak is an application of biogas technology into livestock farming; one of the largest of its kind in Malaysia.

Palm Oil Mill Effluent ("POME")

Biogas plants are used to treat POME efficiently. Biogas generated from the fermentation of POME will be used to either fuel the mill's boiler, generating electricity or a heat source for the mill or any downstream processes, fed to the national power grid or simply flared off to safeguard the ozone layer.

Our biogas solutions are built tailored to our clients' needs and based on the services which we provide, including the study and design process, construction, testing and commissioning as well as operation and maintenance of the plant. These services, coupled with our vast experience and technical prowess, enables us to meet the diverse demands of our clients.

Renewable Energy & Environmental Conservation (continued)

RECLAIMED RUBBER

The State Government of Sarawak has an environmental programme to collect, manage and recycle used tyres throughout Sarawak via a waste tyre storage and recyling centre as well as depots state-wide as part of its collection network.

Used tyre recycling is another of WEIDA's environmental conservation business which collects used tyres and recycles them into useful products. The products, in the form of rubber crumbs, powder and sheets, are used in a wide range of applications ranging from road works, recreational flooring applications, alternative fuel source as well as the manufacturing of rubber articles.

As the number of vehicles on the road increases, used tyres disposal is becoming an environmental concern to municipals and public health authorities as sanitary landfills will soon be unable to accommodate the stockpiles of used tyres which are also hazard for fire and public health.

BUSINESS ACTIVITIES

Pipeline Services

Using the latest trenchless technology, UTIC Services Sdn. Bhd., a subsidiary of WEIDA pioneered the specialist utility services which focuses on pipeline investigation and evaluation that now demands a range of rehabilitation services. With over 10 years of experience, the main focus of our business is in the water and wastewater sectors as well as specific applications to petrochemicals, highway drainage as well as rail track drainage operations.

By working closely with our clients from the initial survey stage till full rehabilitation, our highly trained personnel ensure that solutions are customised to fit the different pipeline maintenance problems yet at the same time stay focused on the safety and quality of our works. By giving the clients a choice in cost, specifications and duration of work, we are also able to create long term partnerships with our clients as we continue to add new services and improvements to the current technology used.

Telecommunication Infrastructure

WEIDA offers a full spectrum of telecommunication infrastructure services from initial construction and installation to long term maintenance of these facilities.

Under network construction, our services include construction of towers that comes with fully equipped control room, telecommunication equipment installation services as well as power supply or generator facilities. Apart from that, we also provide network installation and maintenance services that include the installation of antenna systems, provision of mutual or standby power as well as mechanical and electrical maintenance.

BUSINESS ACTIVITIES

Rural Applications

Over the years, WEIDA as a diversified solutions provider has taken up various projects that introduce modern technology to the rural communities of Malaysia, notably in Sabah and Sarawak. Our solutions aid to offer the bare necessities to these communities such as clean water source, electricity as well as improved sanitation system.

Water Treatment

Apart from offering specially designed water treatment solutions, our comprehensive services ensure that these solutions are feasible for the different needs of the rural projects. Each project will undergo the survey, design, installation and construction, commissioning, maintenance and management phases to ensure that the specific requirements of each project are catered for solutions such as the rainwater harvesting system, groundwater supply systems, conventional water treatment systems as well as state-of-the-art membrane filtration systems can be delivered and implemented as individual systems or fully integrated into one comprehensive solution.

To date, WEIDA has successfully delivered over 600 rainwater harvesting systems for rural schools and villages throughout Sabah and Sarawak as well as undertaken and completed several rural water supply projects on design-and-build basis using membrane filtration technology.

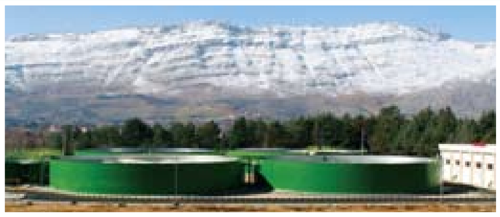
Rural Sanitation

Very few of the rural kampong in Sabah and Sarawak have any form of sanitation facilities. The most economical means of sanitation or treatment of human waste is via a septic tank treatment plant.

To date, WEIDA had successfully implemented various septic tank sewerage systems in Sabah and Sarawak. The provision of septic tanks for the treatment of human waste will impact the quality of life and health of the community by reducing cases of water-borne diseases such as typhoid and cholera which are associated with polluted drinking water.

BUSINESS ACTIVITIES

Overseas Expansion



As part of our on-going expansion, WEIDA has ventured outside Malaysia to increase not only our geographical reach but to harness the advantage of cost, labour and logistics arrangements.

Republic of The Philippines

As the leading manufacturer of polyethylene engineering products in Malaysia, WEIDA has expanded its manufacturing base to Republic of The Philippines with the setting up of its first factory in Manila. The 90 million large population in the country offers WEIDA the platform to duplicate our current success beyond Malaysia.

Syrian Arab Republic

WEIDA was commissioned to design and build wastewater and water treatment plants in Damascus under the bilateral government initiatives between the Government of Syrian Arab Republic and the Government of Malaysia.

BUSINESS ACTIVITIES

Oil Palm Plantation

Oil palm is a priced commodity with multi-facetted values. WEIDA's oil palm plantation division leverages on the unique geographical layout of Sarawak to maximise the returns of this division. Global Positioning Satellites ("GPS") images mapping and Geographical Information System ("GIS") analytical tools are adopted to optimise efficiency and timeliness of various estate management applications. The plantation is also strategically situated near mountains to utilise the natural gravity feed of water from higher grounds for natural irrigation.

Under our on-going expansion programme, WEIDA targets to increase our plantable oil palm areas to enhance its earning profile in the long run. The building of the palm oil mill which commences in year 2012 is estimated to be fully operational in year 2014.

In preparation for the Roundtable on Sustainable Palm Oil ("RSPO") Certification, we had also implemented policies which cover agrochemical management, environmental observance, corporate social responsibility ("CSR") and the Statement for Sustainable Palm Oil.

BUSINESS ACTIVITIES

Property Development

WEIDA's property development division focuses on the strategic development of targeted projects to meet the ever increasing demands of both home dwellers as well as businesses in prominent locations in Malaysia.

Through prime land acquisition as well as strategic and innovative planning, properties that WEIDA is planning to develop will reflect balance of space with the unique needs of modern living. Living and working spaces are built to complement the versatile lifestyle of its dwellers, coupled with functional infrastructure and amenities built with the environment in mind. Applying eco-friendly approaches, the properties that WEIDA plans to develop will not only offer greener and healthier living, it is also feasible as we leverage on our strengths in environmental engineering to deliver the best green solutions.

We believe that the future of real estate development is set on green living, with both home and office dwellers existing in balance with the environment; an objective which WEIDA, as a green developer, aspires to achieve.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("AGM") of the Company will be held at Four Points by Sheraton Hotel, 3186-3187, Block 16, KCLD, Jalan Lapangan Terbang Baru, 93350 Kuching, Sarawak on Thursday, 27 September 2012 at 2.30 pm to transact the following businesses:

AGENDA

Ordinary Business

1. To receive the audited financial statements for the financial year ended 31 March 2012 together with the Reports of the Directors and Auditors thereon.

2. To declare a first and final dividend of 4.0 sen per share less tax, in respect of the financial year ended 31 March 2012 as recommended by the Directors. **Resolution 1**

3. To approve the directors' fees amounting to RM450,000.00 for the financial year ending 31 March 2013, to be paid in such manner as the Directors may determine (2012: RM350,000.00). **Resolution 2**

4. To re-elect the following Directors who retire in accordance with Article 81 of the Company's Articles of Association and being eligible, offer themselves for re-election:

   (i) Mr. Jee Hon Chong **Resolution 3**
   (ii) Mr. Chew Chin Choong **Resolution 4**

5. To re-elect Director, YBhg. Dato' Wee Hoe Soon @ Gooi Hoe Soon who retires in accordance with Article 88 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 5**

6. To consider and if thought fit, to pass the following resolution: **Resolution 6**

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, YBhg. Datuk Dr Stalin Hardin be hereby re-appointed as a director of the Company to hold office until the conclusion of the next annual general meeting."

7. To re-appoint Messrs. KPMG as the Company's auditors and to authorise the Directors to fix their remuneration for the ensuing year. **Resolution 7**

Special Business

8. To consider and, if thought fit, pass the following resolutions:

   (i) **Ordinary Resolution** **Resolution 8**
   - **Proposed renewal of authority for purchase of own shares by the Company**

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

"THAT, subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Company be hereby unconditionally and generally authorised to purchase and hold on the market of Bursa Securities such number of ordinary shares of RM0.50 each ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of Shares purchased and/or held or to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being and an amount not exceeding the Company's retained earnings reserve at the time of purchase be allocated by the Company for the Proposed Share Buy-Back AND THAT, such Shares purchased are to be retained as treasury shares and distributed as dividends and/or resold on the market of Bursa Securities, or subsequently may be cancelled AND THAT the Directors be hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authority or authorities AND FURTHER THAT the authority hereby given will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities."

(ii) **Special Resolution** **Resolution 9**

- **Proposed amendments to the Company's Articles of Association**

"THAT the proposed amendments to the Company's Articles of Association as set out in the Appendix A be hereby approved."

9. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that the first and final dividend of 4.0 sen per share less tax, in respect of the financial year ended 31 March 2012, if approved at the Thirteenth Annual General Meeting, will be payable on 22 November 2012 to depositors whose names appear in the Record of Depositors on 5 November 2012.

A depositor shall qualify for entitlement only in respect of:

(a) shares transferred into the depositor's securities account before 4:00 pm on 5 November 2012 in respect of transfer; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By order of the Board

Voon Jan Moi (MAICSA 7021367)
Wang Tin Ngee (MIA 11670)
Joint Company Secretaries

Dated : 4 September 2012
Kuching, Sarawak

Explanatory notes on special business

(a) **Ordinary resolution in relation to proposed renewal of authority for purchase of own shares by the Company**
The proposed Resolution No. 8, if passed, will renew the authority for the Company to purchase and/or hold up to ten per cent (10%) of the issued and paid-up ordinary share capital of the Company through Bursa Securities. This authority will expire at the conclusion of the next annual general meeting, unless revoked or varied by ordinary resolution passed by shareholders at general meeting.

Please refer to the Statement to Shareholders dated 4 September 2012 for further information.

(b) **Special resolution in relation to proposed amendments to the Company's Articles of Association**
The proposed Resolution No. 9 is to amend the Company's Articles of Association in line with the amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to clearly specify the business to be transacted at general meeting of the Company. Please refer to the Appendix A for further information.

Notes:
1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Wisma Hock Peng, Ground Floor to 2nd Floor, 123, Green Heights, Jalan Lapangan Terbang, 93250 Kuching, Sarawak not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
7. A depositor whose name appears in the Record of Depositors as at 21 September 2012 shall be regarded as a member of the Company entitled to attend this Annual General Meeting or appoint a proxy to attend and vote on his behalf.

APPENDIX A

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

Article	Existing Provisions	Proposed Amendments
Article 4(e) (Issue and allotment of shares)	every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in a share scheme for employees UNLESS the Members in general meeting have approved the allotment to be made to such Directors.	every issue of shares or options to employees and/or the Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in a scheme involving a new issuance of shares to the employees ("Share Issuance Scheme") unless the Members in general meeting have approved the specific allotment to be made to such Director.
Article 15(a) (Allotment and despatch of certificate for an issue)	within fifteen (15) Market Days of the final applications date for an issue of Securities or such other period as may be prescribed by the Exchange for issues of Securities to the public;	within eight (8) market days of the final application date for an issue of securities or such other period as may be prescribed by the Exchange for issues of securities to the public;
Article 59 (Business at meetings)	Subject always to the provision of Section 151 of the Act, no business shall be transacted at any extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of declaring a dividend, the consideration of the income statements, balance sheets, and the report of the Directors and auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, and the appointment and fixing of the remuneration of the auditors.	Subject always to the provision of Section 151 of the Act, no business shall be transacted at any extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of the following: (a) Receiving the Audited Financial Statements, the reports of the Directors and Auditors and other financial statements and documents required to be annexed thereto; (b) Declaring dividends; (c) Fixing and payment of the fees of the Directors; (d) Re-election of Directors who are retiring by rotation and appointing Directors in the place of those retiring by rotation or otherwise; (e) Appointment or re-appointment of Directors pursuant to the Act or other regulatory requirements; and (f) Appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

APPENDIX A

Article	Existing Provisions	Proposed Amendments
Article 74 (Instrument appointing proxy to be in writing)	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	(a) The instrument appointing a Proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. The instrument appointing a Proxy shall be deemed to confer authority to demand or join in demanding a poll. (b) A Proxy may but need not be a Member of the Company. A Member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the Member at the meeting. There shall be no restriction as to the qualification of the Proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. (c) A Proxy appointed to attend and vote at a meeting of a company shall have the same rights as the Member to speak at the meeting. (d) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

Article	Existing Provisions	Proposed Amendments
Article 75 (Form of Proxy)	None.	The following new note be added to the existing notes as appear in the Article 75: *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

CORPORATE INFORMATION

DIRECTORS

YBhg. Dato' Wee Hoe Soon @ Gooi Hoe Soon
Independent Director / Chairman

Haji Su'ut Bin Haji Suhaili
Independent Director / Deputy Chairman

YBhg. Dato' Lee Choon Chin
Group Managing Director

YBhg. Datuk Dr Stalin Hardin
Independent Director

Yeoh Chin Hoe
Independent Director

Jee Hon Chong
Executive Director

Chew Chin Choong
Executive Director

COMPANY SECRETARIES

Voon Jan Moi (MAICSA 7021367)
Wang Tin Ngee (MIA 11670)

AUDITORS

KPMG
Level 6, Westmoore House
Twin Tower Centre
Rock Road
93200 Kuching, Sarawak
Tel : +6082 422 699
Fax : +6082 422 399

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7841 8000
Fax : +603 7841 8152
E-mail : ssrs@symphony.com.my

REGISTERED OFFICE

Wisma Hock Peng, Ground Floor to 2nd Floor
123, Green Heights, Jalan Lapangan Terbang
93250 Kuching, Sarawak
Tel : +6082 456 456
Fax : +6082 459 000
E-mail : weida@weida.com.my

COUNTRY OF INCORPORATION AND DOMICILE

Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : WEIDA
Stock Code : 7111

SENIOR MANAGEMENT

Manufacturing & Marketing

Ng Wooi Choy	Director
Tan Yak Khoon	Head-Manufacturing & Marketing Sector, Sarawak
Gan Chih Ann	General Manager-Operations, Peninsular Malaysia
Wee Chia Pey	General Manager-Sales & Marketing, Peninsular Malaysia
Yee Thart Chi	General Manager-Sales, Sabah
Michael Sy	General Manager-Sales, Philippines
Song Chyn	Group Factory Manager

Environmental

Mohd Hafizal Bin Omar	Director
Dr Hoh Choon Yee	Head-Environmental Division
Hilton Law Wang Wee	Plant Manager-Operations & Maintenance
Patrick Liew Kok Chiang	General Manager-Business Development, Sarawak
Vincent Yap Ching Yee	General Manager-Sales, Peninsular Malaysia
Leong Chee Keong	Head-Commercial (Reclaimed Rubber)

Oil Palm Plantation

Bong Sen Kui	Director
Chong Nyuk Thong	General Manager

Telecommunication Infrastructure

Felix Chung Sam Choo	Project Manager

Property Development

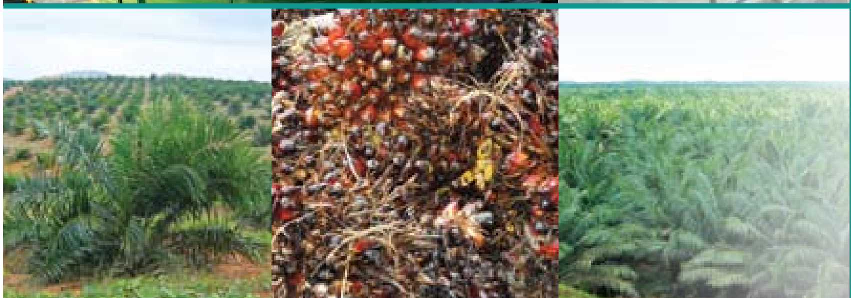
Gan Ee Chin	Director
Victor Lee	Senior Manager

GROUP STRUCTURE

SECTORS

Manufacturing & Marketing

Environmental



Oil Palm Plantation

Telecommunication Infrastructure

Property Development

WEIDA
WEIDA (M) BHD
(504747-W)

COMPANIES

- 100% **Weida Integrated Industries Sdn Bhd** (168925-U)
  - 100% **Greenyard Corporation Sdn Bhd** (408161-H)
- 100% **Weida Resources Sdn Bhd** (242580-H)
- 100% **Weida Marketing Sdn Bhd** (424868-V)
- 100% **Weida Water Sdn Bhd** (543463-H)
- 100% **Weidaline Sdn Bhd** (543459-M)
- 100% **Weida Green Industries Sdn Bhd** (543794-V)
  - 100% **Weida Eco Rubber Sdn Bhd** (543457-A)
- 70% **Weidaya Sdn Bhd** (396558-M)
- 99.99% **Weida (B) Sdn Bhd** (RC/00006958)
- 100% **Weida International Sdn Bhd** (815496-W)
  - 99.99% **Weida Philippines Inc** (CS200808272)

- 56% **Weida Environmental Technology Sdn Bhd** (401849-D)
  - 58% **Sar-Alam Indah Sdn Bhd** (590492-H)
  - 80% **LIPP Biogas (Malaysia) Sdn Bhd** (887436-P)
  - 64% **Weidasar Engineering Sdn Bhd** (618340-M)
  - 51% **Weida Water (ADRA) Sdn Bhd** (787138-D)*
  - 79% **Renexus-Weida Sdn Bhd** (585674-D)
  - 100% **Hydro Solutions Sdn Bhd** (905573-U)
  - 67.9% **UTIC Services Sdn Bhd** (459079-W)
    - 100% **UTIC Industries Sdn Bhd** (688012-V)
- 100% **Weida Oil & Gas Sdn Bhd** (432176-V)

- 51.43% **Bumi Suria Ventures Sdn Bhd** (682886-U)
- 100% **Maju Warisanmas Sdn Bhd** (675346-M)

- 100% **Weida Works Sdn Bhd** (394352-V)

- 100% **Weida Properties Sdn Bhd** (960779-K)
  - 100% **Loyal Paragon Sdn Bhd** (965363-T)
  - 100% **Good Axis Sdn Bhd** (978775-T)

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* *Struck off during the financial year ended 31 March 2012.*

BOARD OF DIRECTORS


1


2


3


4


5


6


7

1
YBHG. DATO' WEE HOE SOON @ GOOI HOE SOON
Independent Director / Chairman

2
HAJI SU'UT BIN HAJI SUHAILI
Independent Director / Deputy Chairman

3
YBHG. DATO' LEE CHOON CHIN
Group Managing Director

4
YBHG. DATUK DR STALIN HARDIN
Independent Director

5
YEOH CHIN HOE
Independent Director

6
JEE HON CHONG
Executive Director

7
CHEW CHIN CHOONG
Executive Director

PROFILE OF DIRECTORS

YBHG. DATO' WEE HOE SOON @ GOOI HOE SOON
Independent Director / Chairman

YBhg. Dato' Gooi Hoe Soon (Malaysian, aged 51), was appointed to the Board on 24 November 2011 as an Independent Director / Chairman.

YBhg. Dato' is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He has more than 30 years of experience in the fields of accounting and corporate finance and was the Finance Director of several private and public listed companies.

He had been instrumental in the successful implementation of several corporate exercises, which included merger and acquisition and corporate debt restructuring exercises undertaken by public listed companies.

In 1999, YBhg. Dato' was appointed to the board of Avenue Capital Resources Berhad as Non-Executive Director and subsequently appointed as Group Managing Director in 2001 and Deputy Chairman in 2004, holding this last post until 2006. He was also the Cheif Executive Officer/ Executive Director-Dealing of Avenue Securities Sdn Bhd.

He presently holds directorships in two (2) other public listed companies and several public and private limited companies in Malaysia.

HAJI SU'UT BIN HAJI SUHAILI
Independent Director / Deputy Chairman

Haji Su'ut bin Haji Suhaili (Malaysian, aged 65), the Deputy Chairman of the Board, was appointed as an Independent Director of the Company on 25 October 2000, before WEIDA Group is listed on Bursa Malaysia Securities Berhad. He is actively serving on all Board Committees, namely as Chairman of the Remuneration Committee and as members of the Audit Committee and Nominating Committee.

Haji Su'ut is a MBA graduate from Henley Brunel University in the United Kingdom. His 30 years of dedicated service with the Government took him through to various positions such as Permanent Secretary to Ministries as well as exposure to a wide spectrum of industries before he retired as General Manager of Bintulu Development Authority in 2002.

PROFILE OF DIRECTORS

YBHG. DATO' LEE CHOON CHIN
Group Managing Director

YBhg. Dato' Lee Choon Chin (Malaysian, aged 58), the Group Managing Director, was appointed to the Board on 25 October 2000.

YBhg. Dato' graduated with a Bachelor of Science (Hons) from University of Malaya in 1978. He first started his career as the Sarawak Manager of 3M (Malaysia) Sdn. Bhd., an American multinational company. Upon leaving 3M in 1983, he incorporated WEIDA which was to become the WEIDA Group today. As a founding shareholder, YBhg. Dato' actively continues to lead the Group in the capacity of Group Managing Director, as well as being Director in subsidiaries.

YBHG. DATUK DR STALIN HARDIN
Independent Director

YBhg. Datuk Dr Stalin Hardin (Malaysian, aged 70) was appointed to the Board as an Independent Director of the Company on 16 December 2000. He is the Chairmen of the Audit Committee and Nominating Committee as well as member of the Remuneration Committee. He is also the Senior Independent Director to whom concerns regarding the Company may be conveyed.

YBhg. Datuk obtained his Doctor of Medicine degree from the University Of Toronto, Canada in 1966 and a Master of Public Health post-graduate degree from Tulane University, United States of America in 1970. He served with the Health Department, Sarawak in various capacities for 29 years and retired as its Director in 1996.

YEOH CHIN HOE
Independent Director

Yeoh Chin Hoe (Malaysian, aged 61) was appointed to the Board as an Independent Director of the Company on 1 January 2008. He is a member of all Board Committees, namely Remuneration Committee, Audit Committee and Nominating Committee.

Mr. Yeoh is a Fellow of both Association of Chartered Certified Accountants (UK), Institute of Chartered Secretaries and Administrators (UK), a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He also obtained a Master degree in Business Administration (General Management) from Universiti Putra Malaysia in 1997.

Mr. Yeoh joined Harrisons Trading (Peninsular) Sdn Bhd ("HTP") in 1980, and was appointed as Finance Director in 1990 and subsequently Managing Director in 1997 until he retired in 2006. He then set up a business management consulting firm called BPI Corptall Consulting Sdn Bhd in 2006, as a consultant specialising in business process improvements and general business management services.

Mr. Yeoh is also an Independent Director and the Chairman of the Audit Committee of Voir Holdings Berhad.

PROFILE OF DIRECTORS

JEE HON CHONG
Executive Director

Jee Hon Chong (Malaysian, aged 53) was appointed to the Board as an Executive Director on 25 October 2000. He graduated from Tunku Abdul Rahman College and subsequently obtained his degree in Mechanical Engineering from the Engineering Council, United Kingdom.

Mr. Jee is one of the pioneers of the Group, being the first factory engineer when WEIDA commenced manufacturing operations in Kuching in 1988. Subsequently, he successfully commissioned another two factories in Kota Kinabalu and Nilai, which marked the entry of WEIDA into Sabah and Peninsular Malaysia, and later in 2009 another factory in Manila, Philippines being WEIDA's first manufacturing plant abroad. Presently, he heads the Group's manufacturing operations and Telecommunication Infrastructures Division.

CHEW CHIN CHOONG
Executive Director

Chew Chin Choong (Malaysian, aged 43) was appointed to the Board as an Executive Director on 27 November 2001. He is an economics graduate holding a B. Sc (Hons) degree from the London School of Economics and Political Science and a Chartered Accountant with the Institute of Chartered Accountants in England and Wales.

Mr. Chew has a total of more than 18 years experience in audit, consulting, finance and accounting functions in public listed companies and international accounting firms. These include RHB, Arthur Anderson and PricewaterhouseCoopers. Mr. Chew is now the Head of the finance and accounting functions of the Group.

Notes:

(a) The Directors have no family relationship with each other or the major shareholders of the Company, except for YBhg. Dato' Lee Choon Chin, whose spouse is one of the major shareholders of the Company.

(b) None of the Directors has been convicted of any offences for the last 10 years.

(c) None of the Directors has any conflict of interests with the Company.

(d) None of the Directors has any other directorship of public companies except for YBhg. Dato' Gooi Hoe Soon and Mr. Yeoh Chin Hoe.

(e) The number of board meetings attended by the Directors during the financial year ended 31 March 2012 is set out on page 45 of this Annual Report.

JOINT STATEMENT FROM CHAIRMAN & GROUP MANAGING DIRECTOR

Salam 1Malaysia,

On behalf of the Board of Directors of Weida (M) Bhd, we have great pleasure to present to you the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 March 2012.

FINANCIAL HIGHLIGHTS

The financial year ended ("FYE") 31 March 2012 was the 11th year of Weida (M) Bhd as a public listed company. We were listed in February 2001.

Into the second decade of our journey as a public listed company, we are pleased to report to you that FYE 31 March 2012 turned out to be another year of respectable financial achievements. Group turnover increased for the 11th year in a row, and breached RM300 million for the first time, despite the global financial crisis of 2008, the on-going Eurozone debt crisis, and the many deep-rooted and unresolved issues that continue to plague the world today.

For the recently concluded FYE 31 March 2012, the Group had, in most aspects, surpassed the good financial results achieved in FYE 31 March 2011 with a new set of respectable results as follows:

- Group revenue grew 8.3% from RM285.91 million to RM309.68 million;
- Pre-tax profit decreased 12.8% from RM34.55 million to RM30.13 million;
- Profit after tax attributable to equity holders of the Company increased 15.4% from RM21.84 million to RM25.21 million;
- As a result, net earnings per share also increased 15.5% from 17.21 sen to 19.87 sen;
- Shareholders' funds rose by 11.4% from RM182.67 million as at 31 March 2011 to RM203.47 million as at 31 March 2012; and
- Finally, net assets per share attributable to ordinary shareholders of the Company went up from RM1.44 as at 31 March 2011 to RM1.60 as at 31 March 2012.

JOINT STATEMENT FROM CHAIRMAN & GROUP MANAGING DIRECTOR

DIVIDENDS

WEIDA is committed to deliver shareholder value through a balanced approach in the distribution of dividends, taking into account opportunities to reinvest profits to enhance earnings growth and the need to pay an attractive dividend to shareholders.

In view of the positive performance of the Group, the Board has declared a first and final dividend of 4.0 sen per share, less tax, for the FYE 31 March 2012. This final dividend represents a 15.1% distribution of the Group's net earnings per share of 19.87 sen for the FYE 31 March 2012, and translates into a gross dividend yield of 4.0% (based on 31 March 2012 closing share price of RM0.99). The Board believes that this is an appropriate distribution ratio, given the needs to fund the continuing expansion of the Group.

OPERATING ENVIRONMENT

By any measure, 2011 had been a difficult year for the global economy. The continuing Eurozone sovereign debt crisis, coupled with several 'black swan' events – Japan's tsunami and nuclear disasters, the US credit rating downgrade and Thailand's massive flood – brought the developed economies to their knees. Emerging economies, especially small and open trading nations like Malaysia, were not spared from the spill-over effects.

Malaysia's economy, however, proved resilient. Its GDP grew 5.1% in 2011, albeit down from 7.2% in 2010. Malaysia's economy also continued to evolve in year 2011, driven by, perhaps, one of the most ambitious and comprehensive packages of national transformative programmes ever undertaken by any government in the world: based on the concept of '1Malaysia, People First, Performance Now', the Malaysian government launched the Government Transformation Programme ("GTP") in April 2009, followed by a succession of complimentary, action-oriented initiatives: National Green Technology Policy ("NGTP") (July 2009), New Economic Model ("NEM") (April 2010), Tenth Malaysian Plan ("10th MP") (June 2010), Economic Transformation Programme ("ETP") (October 2010); and in July 2011, Strategic Reform Initiatives ("SRIs"), the final piece of the jigsaw complementing GTP and ETP.

Unrest arising from the so-called 'Arab Spring' spread to Syrian Arab Republic ("SAR"), where the Group is building wastewater and water treatment plants for the Government of SAR, in the second quarter 2011 and had grown progressively worse since then. At this point in time, we are pleased to report to you that work on the ground has been practically completed, and that the Group has continued to receive payments from the government of SAR on a timely basis up to now.

OPERATIONS REVIEW

The Group's respectable performance for the FYE 31 March 2012 was achieved under the above operating environment – while turnover grew by RM23.77 million or 8.3% to RM309.68 million, pretax margin decreased slightly to 9.7% from 12.1% in the previous year due partly to a prudent allowance for impairment loss on receivables amounting to RM3.9 million in respect of the project in SAR to take into account possible delays in the future collection of retention sums currently not yet due.

An unbroken record of increases in turnover for the past 11 years in a row (ever since the Group was listed in 2001), coupled with respectable profits in each and every of those years, proved the resilience and robustness of WEIDA Group's business model.

The Group's resilience to economic downturn and robust performance throughout the crisis years is partly due to the sturdiness built into the genetics of its business portfolio whereby a material portion of its profits and free cash flows comes from fixed and recurring income arising from long term contracts – fixed rental income arising from telecommunication towers built by the Group and leased to telecommunication companies (namely Celcom, Maxis, Digi) on a long term revenue sharing basis with our joint-venture partner; and fixed income arising from the management, operations and maintenance of three septic sludge treatment plants on long term contracts and extending coverage to three more councils with a total population of 300,000.

JOINT STATEMENT FROM CHAIRMAN & GROUP MANAGING DIRECTOR

Another factor contributing to the Group's resilience is our wide and balanced customer base, where revenue streams arising from public and private sectors projects and/or product sales are quite well balanced. In a recession, the downturn in the private sector is offset by increased public sector spending. In the 2008 to 2009 recession, the Group benefited from accelerated government spending. To an extent, there is an in-built 'automatic offset' effect in the Group's varied customers base.

Much of WEIDA Group's products, services and projects are within environmental sustainability industries, which are fast-growing worldwide.

There is a further in-built natural hedge in the Group's diversified income base, in the sense that the Group's total revenue comprises turnover from multiple business activities in different industries – notably, the manufacturing of polyethylene engineering products, design-and-build construction projects in the environmental industry, utilities network mapping and rehabilitation services, building and leasing of telecommunication towers, and the management of a septic sludge treatment plants.

Going forward, the Group's diversified business portfolio, and the varied nature of its income stream with emphasis on environmental solutions, will continue to provide some degree of insulation against renewed external economic and political uncertainties in the coming months.

INDUSTRY TRENDS AND DEVELOPMENT

A. ENVIRONMENTAL ENGINEERING

As a 21st century technology house in environmental conservation, WEIDA Group is a leading provider of modern environmental engineering solutions in the areas of:

- Water and wastewater infrastructures, products and services;
- Mapping, investigation and rehabilitation of buried utility assets;
- Design-and-build, operations and maintenance ("O&M") of water and wastewater treatment plants;
- Renewable energy & environmental conservation: design-and-build, O&M of biogas plants, solar photovoltaic and mini-hydro systems of sustainable and clean energy;
- Rural water, sanitation and renewable energy facilities designed to meet the different realities and needs of diverse rural communities, applying our specialised knowledge and experience of countryside and remote areas accumulated over the past 30 years; and
- Manufacturing of reclaimed rubber by recycling and chemically-processing discarded vehicle tyres.

In line with our vision to be one of Malaysia's premier environmental engineering companies, we will continuously add to our portfolio of state-of-the-art environmental technologies to remain at the forefront of what we do.

Water and Wastewater Infrastructure

Weida Group is a truly integrated specialist in the water and sewerage sectors as a:

(a) manufacturer of polyethylene engineering products;
(b) design-and-build turnkey specialist of environmental infrastructure, including water and sewerage infrastructure;
(c) service provider in trenchless mapping, investigation, repair and rehabilitation of water and sewer pipes and other buried utility assets; and
(d) management, operations and maintenance of septic sludge treatment plants.

JOINT STATEMENT FROM CHAIRMAN & GROUP MANAGING DIRECTOR

(a) Manufacturing

As a manufacturer of polyethylene engineering products, WEIDA Group remains the market leader in Malaysia, with a dominant position in East Malaysia. The Group has a full presence nationwide with five (5) manufacturing plants strategically located in Nilai, Kuching, Kota Kinabalu, Miri and Tawau; plus one in Manila. The barriers of entry into this industry are high: substantial capital investment, intensive research and development programmes and specialist technological expertise developed in-house over the years. This industry is generally capital intensive for big scale manufacturers. The main industry players have generally remained unchanged during the year under review.

Margins were stable during the financial year under review. Over the longer term, prospects of the polyethylene products industry remain bright as polyethylene, water and drainage pipes, water storage tanks and prefabricated sewage systems are superior to their metal and concrete counterparts due to their qualities of being corrosion resistant, durable, leakage-proof, lightweight, hygienic and weather resistant.

(b) Design-and-Build Projects

Beyond manufacturing, WEIDA also undertakes significant design-and-build projects that involve turnkey engineering works and/or specially designed products manufactured in-house. New water and sewerage infrastructure and electricity power supply in both urban and rural areas will continue to be needed as the country continues to develop. This is particularly so in Sabah and Sarawak, which is an area of focus in the Government's development plans and where WEIDA has a strong presence.

WEIDA manufactured products specially engineered for design-and-build projects will continue to command higher margins than standard products due to our unique and proprietary technologies incorporated into such products.

For the FYE 31 March 2012, we are pleased to update our stakeholders that on-going projects are progressing smoothly, namely the project to design and build a biogas plant to treat waste from a centralised pig farm and produce bioenergy, and other water supply projects such as water reticulation, water storage and treatment plants.

(c) Mapping, Investigation and Rehabilitation of Buried Utility Assets

Through its subsidiary, UTIC Services Sdn. Bhd., WEIDA is a market leader in trenchless (i.e. no-dig) pipeline mapping, investigation and rehabilitation services in Malaysia. The demand for such services is continuing to increase in Malaysia as a significant portion of water and sewerage networks in Malaysia is more than 30 years old. Given that the country has more than 92,200 km of water pipeline (in year 2003) and 14,800 km of sewerage network (in year 2005), the potential for no-dig pipeline rehabilitation solutions are enormous, especially as water and sewerage expenditure rises and a maintenance culture takes hold in Malaysia.

(d) Management, Operations and Maintenance of Septic Sludge Treatment Plants

Septic tanks are widely used in many areas in Malaysia which are not connected by central sewerage services. As such, there is a continuing need for septic sludge treatment plants to treat septic sludge emptied from septic tanks through periodic desludging. We anticipate that more of such plants will be built in Malaysia, where WEIDA will have the opportunity to market its expertise.

JOINT STATEMENT FROM CHAIRMAN & GROUP MANAGING DIRECTOR

Renewable Energy & Environmental Conservation

A biogas plant is an effective and efficient way of treating wastewater with high organic pollutants in an environmentally friendly manner. Besides reducing waste and greenhouse gas emissions, biogas generated can be used to generate green energy in the form of electricity and heat. Electricity generated can be used internally or uploaded to the power grid offering an alternative and sustainable energy source.

The building of the biogas plant for the Integrated Centralised Livestock Farming in Kuching, Sarawak, Malaysia, is one of the prime examples of WEIDA's capabilities. We are proud to be part of this green project, which is one of the largest applications of biogas plant technology in livestock farming in Malaysia.

Moving forward, we foresee that the application of biogas plant technologies in livestock farming as well as in the treatment of palm oil mill effluent will continue to gain traction in a greener Malaysia.

Rural Water, Sanitation & Small-Scale Renewable Energy Facilities

WEIDA Group is also a specialist in rural utilities, with 30 years' experience of the Malaysian countryside and remote areas. Our products serve the rural utilities infrastructure in the form of rural water supply through water pipes, storage tanks and treatment plants; rural sanitation through septic tanks and pre-fabricated toilet houses; and rural power supply through solar photovoltaic and mini-hydro systems as alternative sources of renewable energy.

Reclaimed Rubber Manufacturing

Returning waste tyres back into the consumption-loop, by recycling and chemically processing discarded tyres into rubber sheets, powder and crumbs is another of our environmental engineering businesses. These reclaimed rubber products are used for a myriad of applications, ranging from shoe-making to rubberised-asphalt road surface – WEIDA is proud to be a pioneer of yet another green initiative in Malaysia.

B. TELECOMMUNICATION INFRASTRUCTURE

In the next few years, we anticipate that MCMC will continue to build new telecommunication towers to expand cellular and broadband coverage in rural areas, particularly in East Malaysia where such telecommunication coverage in rural areas still has much room for expansion. WEIDA has been a leading turnkey builder of telecommunication towers in Sabah and Sarawak since the inception of this division in 2005 and will continue to participate actively in the development of our national telecommunications infrastructure.

C. OIL PALM PLANTATION

Malaysia is currently the second largest producer of palm oil in the world behind Indonesia. The Palm Oil NKEA calls for oil palm cultivation in Malaysia to be expanded by an additional 1.3 million hectares, out of which 75% or 1 million hectares is to be cultivated in Sarawak. This underscores the prospects and resilience of the oil palm cultivation industry in Sarawak, where WEIDA Group's oil palm plantation is located.


JOINT STATEMENT FROM CHAIRMAN & GROUP MANAGING DIRECTOR

PROSPECTS

In spite of an uncertain external outlook in the coming months, we are cautiously optimistic on the future prospects of WEIDA Group, and Malaysia in general.

We are confident that the implementation of the government's development initiatives and enabling reforms currently underway has put Malaysia on the path towards being a high-income nation by 2020. Achievements to date (as documented in the ETP's and GTP's Annual Report 2011) are encouraging and dovetail with our own experience that ground implementation is indeed underway.

The prospects and business opportunities for WEIDA Group arising from the GTP, ETP, 10th MP and NGTP had been highlighted and discussed in some detail in this Statement in the past two years' Annual Reports, and remain valid and applicable going forward. The key for the financial year ending 31 March 2013 is the continued and diligent execution of the many business activities that we currently have in motion.

The on-going field planting of our oil palm plantation should be completed within the financial year ending 31 March 2013, while some of the blocks planted in earlier years have begun fruiting and generating revenue.

We are also pleased to report that a new property development division has been set up and will launch its maiden project in 2013. This will create an additional income stream for the Group and further diversify its earnings base.

The Board is cautiously optimistic that WEIDA Group will continue to grow its revenue base and achieve another set of commendable results in the financial year ending 31 March 2013, surging global risks with their spill-over effects into emerging economies notwithstanding.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, we would like to place on record our appreciation to our customers and shareholders for their support, without which our Group would not have been strong and successful.

We would also like to thank our associates, financiers, advisors, suppliers and sub-contractors for their continuing confidence and support to the Group.

Finally, on behalf of the Board, we wish to thank the management and all employees of the Group for their unwavering commitment, contribution and hard work.

YBhg. Dato' Gooi Hoe Soon
Chairman

YBhg. Dato' Lee Choon Chin
Group Managing Director

31 July 2012

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. These statements reflect our current views and expectations with respect to future events and are subject to risks and uncertainties and hence are not guarantees of future performance. Some factors include, but are not limited to, changes in general economic and business conditions, exchange rates and competitive activities that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

AWARDS & ACHIEVEMENTS

Awarded

Winner of 3 Malaysia Good Design Mark 2012 Award
by Majlis Rekabentuk Malaysia (MRM)

Sabah Industry Excellence Award 2010 / 2011 (Category IV)
by Ministry Of Industrial Development

FIVE YEARS FINANCIAL HIGHLIGHTS

		FINANCIAL YEAR ENDED 31 MARCH				
		2008 (restated)	2009 (restated)	2010 (restated)	2011	2012
OPERATING RESULTS						
Revenue	RM'000	207,899	271,549	272,451	285,906	**309,682**
EBITDA	RM'000	34,824	62,216	36,236	47,157	**46,212**
EBIT	RM'000	21,155	52,542	25,098	34,525	**32,728**
Profit Before Tax	RM'000	18,691	50,646	23,714	34,546	**30,133**
Profit for the Financial Year	RM'000	10,332	38,703	18,439	24,184	**27,404**
Profit Attributable to Owners of the Company	RM'000	9,903	32,933	14,006	21,835	**25,208**
KEY FINANCIAL POSITION DATA						
Total Assets	RM'000	376,725	393,377	405,326	462,240	**556,163**
Paid-up Capital	RM'000	66,667	66,667	66,667	66,667	**66,667**
Equity Attributable to Owners of the Company	RM'000	120,177	149,598	162,780	182,672	**203,474**
VALUATION						
Per share of RM0.50 each						
Basic Earnings	sen	7.71	25.95	11.04	17.21	**19.87**
Gross Dividend	sen	3.50	4.00	4.00	4.00	**4.00**
Net Assets	RM	0.95	1.18	1.28	1.44	**1.60**
No. of Issued Ordinary Shares Outstanding at end of Financial Year *	'000	127,096	126,896	126,896	126,895	**126,895**
PROFITABILITY RATIOS						
Return on Total Assets	%	6	13	6	7	**6**
Return on Capital Employed	%	11	19	10	11	**10**
GEARING RATIO						
Net Debt to Equity Attributable to Owners of the Company	times	0.89	0.33	0.29	0.47	**0.71**

Notes:

Certain comparative figures have been restated following the prior year adjustments relating to intangible assets, the adoption of FRS 139 and the amendments to FRS 117.

** Net of treasury shares*

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

Besides maximising shareholder value, WEIDA believes that we are also responsible for our employees, environment and community. One of our main principles as a public listed company is to create long term value. We achieve this by providing our clients with value-added products and services, promoting a corporate culture that adheres to high ethical standards, and by generating superior and sustainable returns for our shareholders. We firmly believe that sustainable growth and investment for any business is also dependent on what it does above and beyond what laws and regulations require. It is why we are committed to creating a working environment based on the values of meritocracy, equal opportunity and diversity. As part of our business, we have contributed immensely to the protection of the environment. We also adhere to high social standards and contribute to the communities we are part of. All our activities are underpinned by our governance structure, which complies with the Malaysian Code on Corporate Governance.

ENVIRONMENT AND MARKETPLACE

Protecting the natural environment, sustainable development and living in harmony with the environment is at the heart of WEIDA's core business in the water and sewerage sectors. As a one-stop centre for water and sewerage solutions, our people strive to protect the environment everyday. For instance, we have designed and built many water and sewage treatment plants, thousands of rain water harvesting and gravity feed water supply systems for rural communities, and countless rural sanitation systems. The communities we serve are far and wide, in Malaysia, the Syrian Arab Republic and Republic of The Philippines.

The engineering products that we manufacture for water and sewerage applications are made from polyethylene ("PE"). PE products are corrosion resistant, relatively lightweight, chemically inert and seamless in construction. These superior characteristics make them ideal substitutes for similar products made from other materials such as fibreglass, metals and concrete. The US Food and Drugs Authority ("FDA"), an authority in the US that certifies the types of materials that are suitable to be in contact with water and food for the purpose of safeguarding customers/public health, has approved polyethylene as safe for use as a medium of storage for drinking water and food. Many countries legislate against the use of alternative materials such as fibreglass, asbestos concrete, and in certain cases, polyvinyl chloride ("PVC"), for pipelines and water storage as they are hazardous to health and /or pollute the environment.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

Our commitment to serving our community goes beyond providing environmentally friendly products. We go one step further by working hand in hand with local city councils and provide services and infrastructure that benefit the people we serve. We have taken the initiative to develop projects that will not only enhance the environment, but serve as a platform where WEIDA can make positive contributions to the daily lives of the community.

PEOPLE AND SAFETY

At WEIDA, we acknowledge human capital as our main asset. The Group endeavours to attract, develop and retain the best talents the market has to offer by providing a continuous learning and conducive working environment. We believe in recognising, advancing and rewarding top talents in an open and mutually supportive work environment, reflective of our core corporate values. We pride ourselves as an equal opportunity employer. These core values shape the root of a sturdy corporate culture that fosters teamwork and holds our Group to grow together.

In addition to external professional trainings, seminars and conferences, our Employee Engagement unit also organised various teambuilding activities in order to foster awareness of time management and team spirit as well as to reinforce commitment to the team's shared goals and objectives. During the year, WEIDA once again organised its fabulous Annual Dinner in Sabah with team singing and dancing competition among our multi-talented colleagues.

Safety and health of our employees is our priority and we are continually looking into ways to improve our performance in these areas. WEIDA has implemented its Safety and Health Policy in Malaysia, the Syrian Arab Republic and Republic of The Philippines which complies with the Occupational Safety and Health Act ("OSHA") of the respective countries.

COMMUNITY

The future of WEIDA is naturally linked to the standard of living of the communities in which it serves. Through a wide array of initiatives supported by WEIDA, namely community-development programmes, philanthropy, volunteerism and promotion of health, education, cultural arts and sports, we are making a difference in improving the quality of life in the community.

EVENTS

For the financial year 2012, WEIDA has initiated and/or participated in the following community based events:

Program Sejiwa Senada at Petra Jaya organised by Dewan Bandaraya Kuching Utara

WEIDA's sales & marketing team participated at the exhibition to create awareness of our environmental engineering solutions and its application to both urban and rural communities.

Go Bald 2011 at The Spring Mall organised by Sarawak Children's Cancer Society

WEIDA as a group participated through our internal donation drive as well as having our staff volunteered to have their heads shaved as an active involvement in showing that we care and understand the plights of the children suffering hair loss due to chemotherapy treatments.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

Donation for the Gawai Carnival Redeems 2011 at Singai, Bau organised by Association of Research & Development Movement of Singai Sarawak (REDEEMS)

WEIDA contributed funds to the Gawai Carnival Redeems 2011 which is an annual event aimed at showcasing authentic Dayak cultures and tradition as well as to encourage better cooperation, unity and understanding between and among the people involved, including visitors to the event.

Majlis Makan Malam Sempena Hari Pekerja 2011 at old DUN building, Petra Jaya, Sarawak organised by Kesatuan Pekerja-Pekerja (GH & IMG) JKR Sarawak

WEIDA sponsored five (5) hampers for the dinner, which celebrated the contributions of employees of the Public Works Department.

Donation of Water Tanks to the Mukah & Dalat community, Sarawak

WEIDA donated 42 water tanks to the community in Mukah and Dalat as well as one (1) high performance PE water tank for the Mukah Dialysis Centre.

ASTRO All Star Charity Show in Kuching organised by Kuching Foochow Association, Astro and See Hua Group

WEIDA contributed financially to the event which aimed to raise funds for the Chung Hua schools in Kuching through charity performance by renowned ASTRO artistes and entertainers.

STATEMENT ON CORPORATE GOVERNANCE

THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

The Board of Directors of Weida (M) Bhd. ("the Board") is steadfast and committed in ensuring that the highest standards of corporate governance are observed throughout Weida (M) Bhd. ("WEIDA" or "the Company") and its Group of Companies ("the Group") through its support and application of the Principles and Best Practices of good governance set out in Part 1 and Part 2 of the Malaysian Code on Corporate Governance ("the Code"). The Board believes upholding good corporate governance is fundamental in discharging its fiduciary responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board is pleased to disclose the manner in which it has applied the principles of good governance and the extent to which it has complied with the best practices as set out in the Code. These disclosures are contained in this Statement, the Statement on Internal Control and the Report of the Audit Committee.

THE BOARD

Roles and Responsibilities

An effective Board leads and controls the Group. In discharging the Board's stewardship responsibilities, the Board explicitly assumes the following six (6) specific responsibilities:

(a) reviewing and adopting a strategic plan for the Group;

(b) overseeing the conduct of the Group's business to evaluate whether the business is properly managed;

(c) identifying principal risks and ensure the implementation of appropriate systems to manage the risks;

(d) succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management;

(e) developing and implementing an investors relations programme or shareholders communication policy for the Group; and

(f) reviewing the adequacy and integrity of the Group's internal control system, management information system and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

In addition, the Board reserves for itself the following areas of strategic importance to the Group to ensure that the direction and control of the Group are firmly in its hands:

(a) approval of strategic corporate plans and annual budgets;

(b) announcement of quarterly results;

(c) acquisitions and disposals of business segments and properties of significant value;

(d) major investments and financial decisions;

(e) changes to the Board's composition; and

(f) changes to the management and control structure within the Group.

STATEMENT ON CORPORATE GOVERNANCE

Board Composition, Size and Balance

The Board currently consists of seven (7) members and is balanced, with three (3) Executive Directors and four (4) Independent Directors. YBhg. Dato' Wee Hoe Soon @ Gooi Hoe Soon, was appointed as the Chairman and Independent Director on 24 November 2011. Together, the Directors have a wide range of entrepreneurial, management, manufacturing, technical and financial expertise and experiences. This mix of expertise and experiences is vital to the success of the Group given its nature of business and customer base. The profile of each Director is presented on pages 29 to 31 of this Annual Report.

The roles of the Chairman and the Group Managing Director are clearly separated to ensure a balance of power and authority. The Chairman heads the Board and leads the planning discussion at the Board level, while the Group Managing Director is responsible for the implementation of policies, Board decisions and executive decision making. The Independent Directors play a significant role in corporate accountability, providing unbiased and independent views, advices and judgements to take account of the interests, not only of the Group, but also of all stakeholders, including employees, customers, suppliers and the many communities in which the Group conducts business.

Supply of and Access to Information

Prior to Board meetings, notices, agendas and Board papers are provided to all Directors in advance to ensure they receive sufficient relevant information and to allow sufficient time for their detailed review and consideration so as to enable them to participate effectively in the deliberations and to make informed decisions. All Directors have the right to make further enquiries where they consider necessary prior to Board meetings.

The Board therefore expects to receive, on a timely basis, material information about the Group, its activities and performance, particularly any significant variances from budgets and plans. The Board papers include, among others, the following:

(a) annual budgets and strategic plans for the Group;

(b) quarterly and annual financial reports;

(c) reports of all committees of the Board;

(d) operational reports and business development issues;

(e) a summary of all circular Board resolutions passed for ratification;

(f) a summary of correspondences from Bursa Malaysia Berhad/Bursa Malaysia Securities Berhad and vice versa;

(g) a summary of announcements made to Bursa Malaysia Securities Berhad; and

(h) a summary of dealings in shares notified by the Directors and principal officers.

Every member of the Board has ready and unrestricted access to the Company Secretaries for advices and services in carrying out their duties. In addition, the Directors also have the liberty, at the Company's expense, to seek independent external professional advice in the furtherance of their duties.

Appointments to the Board

The appointment of new Directors is carried out in a formal and transparent manner under the purview of the Nominating Committee, which is responsible for making recommendations to the Board on suitable candidates for appointment. Upon appointment, the new Directors undergo a familiarisation programme that may include visits to some of WEIDA Group's operating units, and meetings with senior management to facilitate their understanding of the Group.

STATEMENT ON CORPORATE GOVERNANCE

Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board shall retire from office at the forthcoming Annual General Meeting ("AGM") after their appointment but shall be eligible for re-election.

In addition, in accordance with the Company's Articles of Association and in compliance with the Main Market Listing Requirements ("Listing Requirements"), one-third (1/3) of the remaining Directors, including the Group Managing Director, are required to submit themselves for re-election by rotation at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Succession Planning

The Board recognises human resource development and succession planning as critical factors in achieving the Group's business objectives.

The Group reviews its manpower requirements and updates its organisation charts regularly, and conducts periodic recruitment drives to fill vacancies as they arise. The Group's policy is to promote from within where possible.

All staff, including Directors and Senior Management, are encouraged to attend external training courses and seminars to continuously upgrade their skill sets. The Group contributes to the Human Resource Development Fund and sets aside an amount for training in its annual budget.

Board Meetings

At least four (4) regularly scheduled meetings are held annually, with additional meetings for particular matters convened as and when necessary. Informal meetings and consultations are frequently and freely held to share expertise and experiences. There were five (5) Board meetings held during the financial year ended 31 March 2012. The details of attendance of each Director are set out below:

	Number of Meetings Attended
Independent Directors	
YBhg. Dato' Wee Hoe Soon @ Gooi Hoe Soon (Chairman) *(appointed on 24 November 2011)*	1 out of 1
Haji Su'ut bin Haji Suhaili (Deputy Chairman)	5 out of 5
YBhg. Datuk Dr Stalin Hardin	4 out of 5
YBhg. Datu Voon Chen Hian @ Voon Chen Kok *(retired on 24 November 2011)*	4 out of 4
Yeoh Chin Hoe	4 out of 5
Executive Directors	
YBhg. Dato' Lee Choon Chin (Group Managing Director)	5 out of 5
Jee Hon Chong	4 out of 5
Chew Chin Choong	5 out of 5

STATEMENT ON CORPORATE GOVERNANCE

All proceedings, matters arising, deliberations, in terms of the issues discussed, and resolutions of the Board meetings are recorded in the minutes by the Company Secretaries, confirmed by the Board and signed by the Deputy Chairman or Chairman of the meeting. All Board meetings were attended by both of the Company Secretaries.

Upon invitation, Management representatives were present at the Board meetings to provide additional insight into matters to be discussed during the Board meetings.

Directors' Training and Continuing Education Programme

All the Directors have attended the Mandatory Accreditation Programme within the stipulated period pursuant to the Listing Requirements. During the financial year ended 31 March 2012, the training programmes attended by some of the Directors are as follows:

Title of Seminar	Mode of Training	Number of Days Spent
• Business Sustainability - A Strategic Competitive Advantage	In-house Seminar	1 day
• Contract Administration for Site Personnel in Construction & Engineering Contracts	External Seminar	2 days
• Director and Senior Executives Compensation	External Seminar	1 day
• Financial Institutions Directors' Education Programme	External Seminar	8 days
• Key Performance Indicators (KPIs) & Performance Management	External Seminar	1 day
• Kursus Integriti Kontraktor	External Seminar	1 day
• Malaysia FRS Update and IFRS Convergence	External Seminar	1 day
• Managing Change and Reinvention	External Seminar	1 day

The Directors are regularly updated and advised by the Company Secretaries on new statutory as well as applicable regulatory requirements relating to the duties and responsibilities of Directors.

Board Committees

The Board, which is the ultimate authority in decision-making of all significant matters, delegates certain responsibilities to Board Committees to enhance business and operational efficiency of the Group.

The Board has established an Audit Committee, a Nominating Committee and a Remuneration Committee to assist the Board in discharging its duties. All Board Committees do not have executive powers but have authority to examine issues at hand and report back to the Board by the respective Committees' Chairmen on all matters considered and their recommendations thereon.

Each Board Committee has defined function, authority and terms of reference which have been approved by the Board and, where applicable, comply with the recommendations of the Code. These Board Committees are as set out on pages 47, 48 and 54 of this Annual Report.

The Chairman of the Board Committees will report to the Board the outcome of the Committee meetings and such reports are recorded in the minutes of the Board meetings.

STATEMENT ON CORPORATE GOVERNANCE

(a) Audit Committee

The Audit Committee was established on 17 May 2001. Further details of the Audit Committee are outlined in the Report of the Audit Committee as set out on pages 54 to 58 of this Annual Report.

(b) Nominating Committee

Chairman : YBhg. Datuk Dr Stalin Hardin (Independent Director) *(appointed on 30 May 2012)*
YBhg. Datu Voon Chen Hian @ Voon Chen Kok (Independent Director) *(retired on 24 November 2011)*
Members : Haji Su'ut bin Haji Suhaili (Independent Director)
Yeoh Chin Hoe (Independent Director)

The Nominating Committee was established on 4 February 2002. Two (2) meetings were held during the financial year ended 31 March 2012. Assessment and appraisal processes have also been implemented and properly documented, for the evaluation of the effectiveness of the Board as a whole, individual contribution of each Board member and the Audit Committee including its members. All other Board Committees are assessed and evaluated by the Board.

The functions of the Nominating Committee are to:

- determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies;
- review the size of non-executive participation, Board balance and determine if additional Board members are required and also to ensure that at least one-third (1/3) of the Board is independent;
- recommend to the Board, all candidates for directorships to be filled by the shareholders or the Board;
- consider, in making its recommendations, candidates for directorships proposed by the Group Managing Director and, within the bounds of practicality, by any other senior executive or any Director or shareholder;
- recommend to the Board, Directors to fill the seats on Board Committees;
- undertake an annual review of the required mix of skills and experiences and other qualities of Directors, including core competencies which non-executive Directors should bring to the Board and to disclose this in the annual report;
- formulate and implement procedures to be carried out by the Nominating Committee annually for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contributions of each individual Director; and
- introduce such regulations or guidelines, procedures for the Nominating Committee to function effectively and fulfil the Nominating Committee's objectives.

STATEMENT ON CORPORATE GOVERNANCE

(c) Remuneration Committee

Chairman : Haji Su'ut bin Haji Suhaili (Independent Director)
Members : YBhg. Datuk Dr Stalin Hardin (Independent Director)
YBhg. Datu Voon Chen Hian @ Voon Chen Kok (Independent Director)
(retired on 24 November 2011)
Yeoh Chin Hoe (Independent Director)

The Remuneration Committee ("RC") was established on 23 March 2001. One (1) meeting was held during the financial year ended 31 March 2012.

The RC is responsible for recommending the level and make-up of the remuneration of the Executive Directors of WEIDA so as to ensure that the Group attracts and retains Directors of the necessary caliber, experience and quality needed to run the Group successfully. It is nevertheless the responsibility of the entire Board to approve the remuneration of these Directors.

The fees for the Non-Executive Directors are determined by the Board as a whole.

Directors' Remuneration

The level and make-up of remuneration for Directors were reviewed and recommended by the RC and approved by the Board as a whole. Each individual Director abstains from the Board discussion and decision-making on his own remuneration.

In compliance with the Listing Requirements and in line with the Code, the fees and remuneration paid to each of the Directors during the financial year ended 31 March 2012 are as follows:

Directors	Fees RM	Salaries RM	EPF RM	Other Remuneration RM	Total RM
Independent Directors					
YBhg. Dato' Wee Hoe Soon @ Gooi Hoe Soon	16,933	Nil	Nil	Nil	16,933
Haji Su'ut bin Haji Suhaili	48,000	Nil	Nil	17,000	65,000
YBhg. Datuk Dr Stalin Hardin	84,000	Nil	Nil	19,500	103,500
YBhg. Datu Voon Chen Hian *(retired on 24 November 2011)*	41,000	Nil	Nil	15,000	56,000
Yeoh Chin Hoe	48,000	Nil	Nil	16,000	64,000
Subtotal	**237,933**	**Nil**	**Nil**	**67,500**	**305,433**
Executive Directors					
YBhg. Dato' Lee Choon Chin	36,000	390,000	53,400	1,321,000	1,800,400
Jee Hon Chong	36,000	216,000	34,220	1,560,000	1,846,220
Chew Chin Choong	36,000	216,000	27,620	903,000	1,182,620
Subtotal	**108,000**	**822,000**	**115,240**	**3,784,000**	**4,829,240**
Grand total	**345,933**	**822,000**	**115,240**	**3,851,500**	**5,134,673**

STATEMENT ON CORPORATE GOVERNANCE

Remuneration RM	Independent Directors Number	Executive Directors Number
1 – 50,000	1	-
50,001 – 100,000	3	-
100,001 – 150,000	1	-
150,001 – 1,150,000*	-	-
1,150,001 – 1,200,000	-	1
1,200,001 – 1,800,000*	-	-
1,800,001 – 1,850,000	-	2

* *No Director received any remuneration within this range*

INVESTORS RELATIONS & SHAREHOLDERS COMMUNICATION

Investors Relations

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and values dialogue with investors. In addition to various announcements made during the financial year ended 31 March 2012, the timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations.

The Group has also put in place facility to enable electronic communication with shareholders via its website www.weida.com.my. Shareholders, investors and members of public can obtain information on the Group by accessing its website and Bursa Securities' website at www.bursamalaysia.com for the corporate and financial information as well as all announcements and releases of annual reports, circular to shareholders made by the Company.

YBhg. Datuk Dr Stalin Hardin is the appointed Senior Independent Director to whom concerns or queries concerning the Group may be conveyed to. YBhg. Datuk Dr Stalin Hardin can be contacted at 082-456456 or stalinhardin@weida.com.my.

General Meetings

The Group uses the general meetings as a mean of communicating with shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders are encouraged to participate in the question and answer session. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting. Notice of each general meeting is issued on a timely manner to all shareholders and in the case of special business, a statement explaining the effect of the proposed resolutions is provided for shareholders information.

Members of the Board have also had meetings with analysts and investors during the financial year under review.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements of results to shareholders, the Directors are committed to present a balanced and fair assessment of the Group's position and prospects. The financial reports are also reviewed by the Audit Committee to ensure adequacy of information disclosed prior to submission to the Board for approval.

STATEMENT ON CORPORATE GOVERNANCE

The Board consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. A statement by the Board of their responsibilities in preparing the financial statements is set out on page 53 of this Annual Report.

Internal Control

The Directors recognise their responsibility for the Group's system of internal control, which is designed to suit the particular circumstances of the Group and to manage the risks involved in pursuing the Group's business objectives. The system of internal control currently practised by the Group spans not only the financial aspect, but also the operational and compliance aspects of the Group's activities in order to safeguard the Group's assets and hence, shareholders' investments. This system, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

Some of the key elements of the Group's internal control system are outlined in the Statement on Internal Control set out on pages 59 to 60 of this Annual Report.

The Board is committed to undertake regular reviews of key commercial, operational and financial risks facing the Group's businesses as well as the more general risks such as those relating to compliance with laws and regulations. In executing this commitment, the Board has established an Internal Audit Department. The scope of the Internal Audit Department is set out in the Report of the Audit Committee set out on pages 54 to 58 of this Annual Report.

The objectives of periodic reviews of risks and internal audit are to give reasonable assurance that the structure of controls and operations is appropriate to the Group's situation and that there is an acceptable level of risk throughout the Group's operations.

The Board has implemented a risk management framework in compliance with the guidance issued by the Task Force on Internal Control, and will continue to enhance it.

Relationship with the External Auditors

The Group, through the Audit Committee, has established a transparent and appropriate relationship with the external auditors. The Audit Committee has explicit authority to communicate directly with the external auditors by way of meetings with the external auditors excluding the attendance of other Directors and employees of the Group at least twice a year.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

Utilisation of Proceeds from Corporate Proposal

There were no proceeds raised from any corporate proposals during the financial year under review.

Share Buy-Back

At the Extraordinary General Meeting of WEIDA held on 13 February 2007, the Directors obtained the shareholders' approval for the Company to purchase and/or hold its own shares of up to ten percent (10%) of its total issued and paid-up share capital of the Company ("Share Buy-Back Authority"). The Share Buy-Back Authority was renewed at the subsequent Annual General Meetings.

During the financial year ended 31 March 2012, a total of 200 ordinary shares of RM0.50 each of the Company were purchased pursuant to the Share Buy-Back Authority. All the shares purchased are currently retained as treasury shares. None of the shares purchased has been resold or cancelled.

A monthly breakdown of the shares bought back during the financial year ended 31 March 2012 is set out below:

Month	No. of shares purchased	Purchase Price		Average price paid	Total consideration paid
		Highest RM	Lowest RM	RM	RM
May 2011	100	1.050	1.050	1.050	105.00
November 2011	100	0.960	0.960	0.960	96.00

Options and Convertible Securities

There were no exercise of options and convertible securities during the financial year under review.

Depository Receipt Programme

During the financial year under review, the Company did not sponsor any depository receipt programme.

Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 March 2012.

Non-Audit Fees

The total amount of non-audit fees incurred for services (comprising, *inter alia*, tax compliance, consolidation review, review of statement on internal control and enterprise risk management review) rendered to the Company and its subsidiaries for the financial year ended 31 March 2012 by the Company's external auditors, Messrs. KPMG, and a firm or corporation affiliated to Messrs. KPMG were amounted to RM197,700.

ADDITIONAL COMPLIANCE INFORMATION

Variance in Profit Estimate, Forecast or Projection

There were no profit estimate, forecast or projection been announced by the Company during the financial year under review.

Variance in Results

There was no significant variance between the results for the financial year ended 31 March 2012 and the unaudited results previously released by the Company.

Profit Guarantee

No profit guarantee had been received by the Company in respect of the financial year under review.

Material Contracts Involving Directors/Major Shareholders' Interests

There were no material contracts entered by the Group involving Directors' and major shareholders' interests subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

Recurrent Related Party Transactions ("RRPT") of Revenue Nature

During the financial year ended 31 March 2012, no shareholder mandate was obtained for RRPT.

Disclosure of Realised and Unrealised Profits or Losses

The breakdown of the realised and unrealised profits as at 31 March 2012 are disclosed in Note 35 to the financial statements for the financial year ended 31 March 2012, as outlined on page 166 of this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

The Directors are required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to issue a statement explaining their responsibility for preparing the financial statements.

The Directors are also required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and the results and cash flows of the Company and of the Group for the financial year then ended.

As required by the Act, the financial statements have been prepared in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Act. The Directors have considered that in preparing the financial statements for the financial year ended 31 March 2012 as set out on pages 62 to 166 of this Annual Report, appropriate accounting policies have been adopted and are consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors are responsible for ensuring the Company and the Group maintain proper accounting records which disclose with reasonable accuracy, the financial position and performance of the Company and the Group, and to enable them to ensure the financial statements comply with the Act. The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee ("the Committee") comprises the following Directors:

Chairman	:	YBhg. Datuk Dr Stalin Hardin (Independent Director)
Members	:	Haji Su'ut bin Haji Suhaili (Independent Director)
		Yeoh Chin Hoe (Independent Director)

Mr. Yeoh Chin Hoe is a member of the Malaysian Institute of Accountants and two (2) other associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967. All members of the Committee are financially literate.

During the financial year ended 31 March 2012, the training programmes attended by some of the Committee Members are as follows:

Title of Seminar	Mode of Training	Number of Day Spent
• Business Sustainability - A Strategic Competitive Advantage	In-house Seminar	1 day
• Key Performance Indicators (KPIs) & Performance Management	External Seminar	1 day

SUMMARY OF THE TERMS OF REFERENCE

1. Membership

The Committee shall be appointed by the Board of Directors from amongst their number and shall consist of not less than three (3) members. All the Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. No Alternate Directors shall be appointed as a member of the Committee.

At least one (1) member of the Committee:

(a) must be a member of Malaysian Institute of Accountants ("MIA"); or

(b) if he is not a member of the MIA, he must have at least three (3) years of working experience and:
- he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
- he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

If membership of the Committee for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

2. Chairman

The Chairman of the Committee shall be an Independent Director appointed by the Board of Directors. In the absence of the Chairman of the Committee, members present at the meeting shall elect one of themselves to chair the meeting or the members of the Committee must elect a Chairman among themselves who is an independent director.

3. Secretary

The Secretary to the Committee shall be any of the Joint Company Secretaries. The Company secretary shall be responsible for drawing up the agenda with the concurrence of the Chairman and Circulating it, supported by relevant paper to Committee members prior to each meeting.

4. Quorum, Meetings and Minutes

A quorum of a meeting of the Committee shall consist of a majority of Independent Directors and shall not be less than two (2) Independent Directors. The Committee shall hold at least four (4) meetings a year. Additional meetings may be held as and when necessary, upon request by any Committee member, the Management, Internal or External Auditors. Internal Auditors and the Group Financial Controller are normally invited to attend the meetings. Other members of the Board of Directors, employees and representatives of External Auditors shall attend the meetings upon the invitation of the Committee.

The Committee shall meet with the External Auditors, excluding the attendance of other Directors and employees of the Group, at least twice a year.

The Committee may also meet with the Internal Auditors, excluding the attendance of other Directors and employees of the Group, whenever deemed necessary.

The decision to the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Minutes of meetings shall be kept by the secretary and distributed to each member of the Committee. The Chairman of the Committee shall report on each meeting to the Board of Directors from time to time. In the absence of the secretary at the meeting, the members present at the meeting shall elect any other person as the secretary of the meeting.

A resolution in writing signed by all members of the Committee shall be deemed to have been passed at a meeting held on a date on which it was signed by the last member of the Committee.

5. Review of the Composition of the Committee

The term of office and performance of the Committee and each of the members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

6. Authority

The Committee is authorised by the Board of Directors to:

(a) investigate any activity within its terms of reference and shall have unrestricted access to all employees of the Group;

(b) have the resources in order to perform its duties as set out in its terms of reference;

(c) have full and unrestricted access to information pertaining to the Group;

(d) have direct communication channels with the Internal and External Auditors;

(e) obtain external legal or other independent professional advice as necessary; and

(f) convene meetings with the Internal Auditors, External Auditors or both, excluding the attendance of other Directors and employees of the Group.

Notwithstanding anything to the contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board of Directors on matters considered and its recommendations thereon, pertaining to the Group.

REPORT OF THE AUDIT COMMITTEE

7. Responsibility

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements, the Committee has the responsibility to promptly report such matter to Bursa Malaysia Securities Berhad.

8. Functions and Duties

The functions and duties of the Committee can be summarised as follows:

Financial Reporting

- Review the annual and interim financial reports, focusing on the quality of the reported earnings, adequacy and fairness of the disclosures and compliance with accounting standards and other legal requirements, changes in or implementation of major accounting policy, significant and unusual event, going concern assumption, significant adjustment, before submission to the Board of Directors.

Risk Management

- Ensure the risk management process is comprehensive and ongoing, rather than partial and periodic.

Internal Audit

- Review the adequacy of audit scope, functions, competency and resources of the Internal Audit Department and approve Internal Audit plan proposed by Internal Audit team annually;
- Review the reports prepared by the Internal Auditors, the significant findings, Management's responses and remedy actions taken by Management after the audit;
- Approve the appointment or termination of Internal Audit staff;
- Assess the performance of the Internal Audit team; and
- Ensure the Internal Audit team access to the Committee, encouraging communication beyond scheduled committee meetings.

External Audit

- Review the assistance given by employees to External Auditors;
- Establish a direct reporting relationship with External Auditors and approve their scope of work of external audit;
- Consider the nomination, appointment or re-appointment, resignation and dismissal of External Auditors as well as their annual audit fee;
- Review with the External Auditors, their evaluation of the system of Internal Control;
- Discuss issues arising from interim and final audits, and any other matter that External Auditors may wish to bring up; and
- Review letter of resignation from the External Auditors.

Responding to Management Needs

- Assist Management to address specific issues facing in the business e.g. reviewing of compliance with regulations;

- Continually communicating with Senior Management regarding status, progress, and new developments, as well as problematic areas; and

- Review related party transaction and any other situation whereby conflict of interest may arise within the Group.

MEETINGS AND ATTENDANCE

During the financial year ended 31 March 2012, the Committee held five (5) meetings which were attended by the members as follows:

	Number of Meetings Attended
YBhg. Datuk Dr Stalin Hardin	4 out of 5
Haji Su'ut bin Haji Suhaili	5 out of 5
Yeoh Chin Hoe	4 out of 5

An Executive Director, Group Financial Controller, External and Internal Auditors attended most of these meetings upon invitation by the Committee. All proceedings, matters arising, deliberations, in terms of the issues discussed, and resolutions of the Committee's meetings are recorded in the minutes by the Company Secretaries, confirmed by the Committee and signed by the Committee Chairman or Chairman of the meeting. All the Committee meetings were attended by one (1) or both of the two (2) Company Secretaries. The Chairman of the Committee reports on the main findings and deliberations of the Committee's meetings to the Board of Directors.

SUMMARY OF ACTIVITIES

The Committee had in line with its terms of reference, carried out the following activities in the discharge of its functions and duties during the financial year ended 31 March 2012:

(a) review of the quarterly financial results and annual audited financial statements of the Group prior to submission to the Board of Directors for consideration and approval;

(b) reviewed the comparison of the Group's actual results against budgeted results on a quarterly basis;

(c) review of the annual audit strategy and planning memorandum of External Auditors;

(d) reviewed and deliberated on the External Auditors' reports in relation to the statutory audit and issues arising from the audit;

(e) reviewed and approved the annual Internal Audit plan and updates thereof prepared by the Internal Audit Department;

(f) reviewed and deliberated the Internal Audit reports presented by the Internal Audit Department on findings, recommendations (incorporating Management's response) and action plans with persons responsible and a time frame for implementation of the recommendations;

(g) review of any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management integrity prior to submission to the Board of Directors for ratification, consideration and approval;

REPORT OF THE AUDIT COMMITTEE

(h) reviewed the adequacy of the disclosure on related party transactions entered into by the Group in the quarterly and annual reports of the Company;

(i) reviewed the changes and implementation of Company policies prior to recommendation to the Board of Directors for approval;

(j) met with Internal and External Auditors twice, excluding the attendance of the other Directors and employees of the Group;

(k) considered the re-appointment of External Auditors, as well as their remuneration;

(l) review of the manpower resources for Internal Audit Department; and

(m) reviewed the Report of the Committee and Statement on Internal Control prior to submission to the Board of Directors for its approval.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department ("IAD") which assists the Committee in the effective discharge of its duties and responsibilities. The Internal Audit Charter sets out the purpose, responsibility, scopes, independence and authority of the IAD. The internal audit function adopt a risk-based audit approach in planning and conducting audits by focusing on key risk areas.

The principal responsibility of the IAD is to undertake regular and systematic reviews of the system of internal controls based on the risks identified in the Risk Profile, recommending cost-effective measures to mitigate these risks, enhance operational efficiency and implementation of sound governance processes. It is independent of the activities it audits.

In attaining these objectives, the scopes of activities of the IAD include the following:

(a) review and appraise the soundness, adequacy and application of the system of internal controls and recommend improvements thereon;

(b) ascertain the extent of compliance with established policies, procedures and statutory requirements;

(c) appraise the reliability, integrity and usefulness of financial and management information developed;

(d) review the controls for safeguarding assets and as appropriate, verify the existence of assets;

(e) carry out special reviews and investigations requested by the Committee and Board of Directors; and

(f) identify ways and opportunities to improve the effectiveness and efficiency of the operations and processes of the Group.

Currently, the Senior Internal Audit Executive reports directly to the Committee and is tasked to provide reasonable assurance to the Committee on the effectiveness of the risk management, internal control and governance processes within the Group.

The IAD has, during the financial year ended 31 March 2012, carried out planned audits on the significant operations of the Group based on assessed risks. The Internal Audit Reports on the adequacy of controls and extent of compliance to internal financial policies and operational procedures were deliberated on by the Committee and recommendations were duly acted upon by the Management.

The total costs incurred for the IAD during the financial year ended 31 March 2012 amounted to RM152,491.

STATEMENT ON INTERNAL CONTROL

Board Responsibility

The Board of Directors ("the Board") recognises the importance of maintaining a sound system of internal control and the proper management of risks affecting the Group's operations in order to safeguard shareholders' investments. The Board affirms its overall responsibility for the Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of those systems.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management Framework

The Board acknowledges and confirms that risk management forms an integral part of the Group's business operations. It has identified, evaluated, monitored and managed the significant risks of each functional area and established a Group Risk Profile which includes, *inter alia*:

(a) the principal risks faced by the Group under appropriate risk categories, levels and sub-levels;

(b) the likelihood of risks crystalising and the resulting impact; and

(c) the internal controls put in place to address those risks.

In line with the Group's expansion into overseas operation, oil palm plantations and reclaimed rubber operations, Group Risk Profile is being updated to encompass these new activities.

In addition, the Board has established an organisational structure with clearly defined lines of accountability and authority for each Board Committee. The responsibility of the Audit Committee includes reviewing the audit reports prepared by the Internal and External Auditors, the major findings and Managements' responses thereto. The scope of the Internal Audit Department's activities are set out in the Report of the Audit Committee on pages 54 to 58 of this Annual Report.

The internal audit presents an annual internal audit plan to the Audit Committee for approval prior to carrying out internal audit reviews. Currently, its scope of works includes periodic reviews and evaluation of operational and financial controls for operations within the strategic business units of the Group.

The internal audit presents its reports to the Audit Committee on a quarterly basis on key audit findings, recommendations and Management's responses. Audit personnel will follow up with the implementation of its recommendations by Management and reports the status of implementation to the Audit Committee. The Audit Committee considers reports from internal audit and comments from Management, before presenting the summaries of the report to the Board of Directors on a quarterly basis or earlier as appropriate.

Other Principal Internal Control Features

The other principal control features established within the Group include:

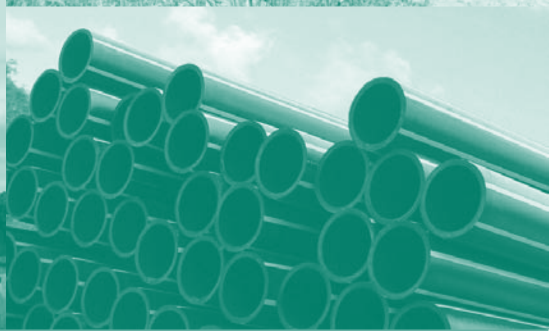
- clearly defined terms of reference, responsibilities and authorities of:
  - Audit Committee;
  - Nominating Committee; and
  - Remuneration Committee

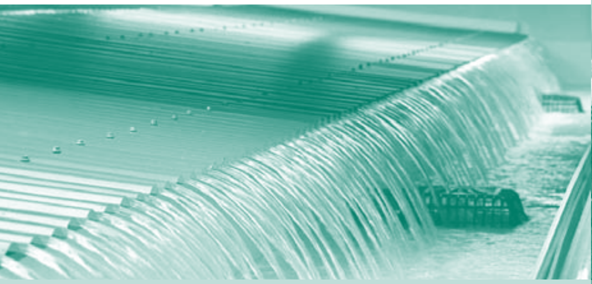
STATEMENT ON INTERNAL CONTROL

- Nominating Committee recommends to the Board, candidates for directorship;
- Remuneration Committee reviews the remuneration package of each Director by reference to the performance of the Director;
- the Audit Committee and the Board review the Group's quarterly interim information prior to announcement to Bursa Malaysia Securities Berhad;
- comprehensive and detailed monthly financial reports for review by Senior Management;
- a detailed budgeting process where operating units prepare budgets for approval by the Board on a yearly basis;
- major capital expenditure and asset disposals are appraised and approved by the Boards of Directors of subsidiaries; and
- periodic visits to operating units by members of the Board and Senior Management.

Control Weaknesses that Result in Material Losses

During the financial year ended 31 March 2012, there were no significant weaknesses in internal controls that resulted in material financial losses. Internal controls put in place provide reasonable assurance to the Board that the structure of controls tailor to the Group's operations and risks are managed to an accepted level throughout the Group's diverse businesses. However, such arrangements do not eliminate the possibility of human error or deliberate circumvention of controls by employees or others.





FINANCIAL STATEMENTS

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2012.

Principal activities

The Company is principally engaged in investment holding and the provision of management services to its subsidiaries while the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the Company	25,208,339	12,966,492
Non-controlling interests	2,195,561	-
	27,403,900	12,966,492

Dividend

Since the end of the previous financial year, the Company paid a first and final dividend of 4.00 sen per ordinary share of RM0.50 each less tax at 25% totalling RM3,806,860 (equivalent to 3.00 sen net per ordinary share) in respect of the financial year ended 31 March 2011 on 22 November 2011.

The Directors are recommending a first and final dividend of 4.00 sen per ordinary share of RM0.50 each less tax at 25% totalling RM3,806,854 (equivalent to 3.00 sen net per ordinary share) in respect of the financial year ended 31 March 2012, the payment of which is subject to approval by shareholders at the forthcoming Annual General Meeting.

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Directors of the Company

Directors who served since the date of the last report are:

Dato' Wee Hoe Soon @ Gooi Hoe Soon (appointed on 24.11.2011)
Tuan Haji Su'ut Bin Haji Suhaili
Dato' Lee Choon Chin
Datuk Dr Stalin Hardin
Jee Hon Chong
Chew Chin Choong
Yeoh Chin Hoe
Datu Voon Chen Hian @ Voon Chen Kok (retired on 24.11.2011)

Directors' interests in shares

The interests of the Directors, including where applicable the interests of their spouses or children who themselves are not directors of the Company or of its related corporations, as the case may be, in the shares of the Company and of its related corporations (other than wholly owned subsidiaries) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.4.2011	**Bought**	**Sold**	**At 31.3.2012**
Shareholdings in the Company in which Directors have interests				
Direct interests				
Tuan Haji Su'ut Bin Haji Suhaili	33,334	-	-	33,334
Dato' Lee Choon Chin	7,074,242	-	-	7,074,242
Datuk Dr Stalin Hardin	33,334	-	-	33,334
Jee Hon Chong	3,090,776	-	-	3,090,776
Deemed interests				
Tuan Haji Su'ut Bin Haji Suhaili	177,966	-	-	177,966

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Directors' interests in shares (continued)

		Number of ordinary shares			
	Par value	**At 1.4.2011**	**Bought**	**Sold/ Struck off**	**At 31.3.2012**
Shareholdings in which Dato' Lee Choon Chin has deemed interests					
The Company *	RM0.50	26,048,974	-	-	26,048,974
Subsidiaries					
Weidaya Sdn. Bhd. **	RM1.00	350,000	-	-	350,000
Weida Environmental Technology Sdn. Bhd. **	RM1.00	56,000	-	-	56,000
Sar-Alam Indah Sdn. Bhd. **	RM1.00	580,000	-	-	580,000
UTIC Services Sdn. Bhd. **	RM1.00	1,358,000	-	-	1,358,000
UTIC Industries Sdn. Bhd. **	RM1.00	2	-	-	2
Weidasar Engineering Sdn. Bhd. **	RM1.00	640,000	-	-	640,000
Renexus-Weida Sdn. Bhd. **	RM1.00	312,840	-	-	312,840
Bumi Suria Ventures Sdn. Bhd. **	RM1.00	7,500,000	-	-	7,500,000
Weida Water (ADRA) Sdn. Bhd. **	RM1.00	51,000	-	51,000^	-
Weida (B) Sdn. Bhd.**	BND1.00	24,999	-	-	24,999
Weida Philippines Inc. **	PHP1.00	8,407,277	-	-	8,407,277
LIPP Biogas (Malaysia) Sdn. Bhd. **	RM1.00	640,000	-	-	640,000
Hydro Solutions Sdn.Bhd. **	RM1.00	2	-	-	2

BND = Brunei Dollar
PHP = Philippine Peso

* *Deemed interest by virtue of his substantial interest in Weida Management Sdn. Bhd..*
** *Deemed interest by virtue of his substantial interest in Weida (M) Bhd..*
^ *Struck off during the current financial year.*

None of the other Directors had any interest in the shares of the Company and of its related corporations during and at the end of the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business (see also Note 31 to the financial statements).

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were neither changes in the authorised, issued and paid-up capitals of the Company, nor issuances of debentures by the Company, during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i. all known bad debts have been written off and adequate provision made for doubtful debts, and

ii. any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i. that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii. that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv. not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Other statutory information (continued)

At the date of this report, there does not exist:

i. any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii. any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the allowance for impairment loss provided on receivables amounting to RM5,320,933 (see Note 20 to the financial statements), the financial performance of the Group and of the Company for the financial year ended 31 March 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Dr Stalin Hardin

Dato' Lee Choon Chin

Kuching,

Date: 25 July 2012

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors,

(a) the financial statements set out on pages 70 to 165 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the financial year then ended, and

(b) the information set out in Note 35 on page 166 to the financial statements has been compiled in accordance with the 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, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Dr Stalin Hardin

Dato' Lee Choon Chin

Kuching,

Date: 25 July 2012

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Wang Tin Ngee**, the officer primarily responsible for the financial management of Weida (M) Bhd., do solemnly and sincerely declare that the financial statements set out on pages 70 to 166 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
in Kuching in the State of Sarawak
on 25 July 2012

Wang Tin Ngee

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WEIDA (M) BHD
(Company No. 504747-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Weida (M) Bhd., which comprise the statements of financial positions as at 31 March 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 70 to 165.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2012 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors as indicated in Note 6 to the financial statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WEIDA (M) BHD
(Company No. 504747-W)
(Incorporated in Malaysia)

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 35 on page 166 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not part of the financial statements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the 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 and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose.

We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Chee Kong
Chartered Accountant
Approval Number: 1481/01/13(J)

Kuching,

Date: 25 July 2012

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Assets					
Property, plant and equipment	3	162,688,051	159,410,964	3,553,639	5,888,321
Prepaid lease payments	4	3,527,602	3,646,738	-	-
Oil palm plantation development expenditure	5	46,130,281	33,195,753	-	-
Investment in subsidiaries	6	-	-	111,988,199	43,665,797
Investment in an associate	7	-	-	40	-
Goodwill	8	739,444	2,519,735	-	-
Other intangible assets	9	42,855,830	45,978,980	-	-
Other receivables	10	18,036,029	16,686,833	36,081,273	104,243,623
Other investments	11	1,452,473	438,621	1,130,473	15,821
Deferred tax assets	12	3,540,768	133,000	-	-
Total non-current assets		278,970,478	262,010,624	152,753,624	153,813,562
Inventories	13	39,982,680	47,233,180	-	-
Trade and other receivables, including derivatives	10	165,637,241	97,993,756	18,265,472	2,270,359
Deposits and prepayments	14	12,869,301	15,574,768	488,739	264,764
Current tax recoverable		3,720,889	1,487,314	988,663	612,207
Cash and bank balances	15	54,982,235	37,940,150	33,365,442	9,478,860
Total current assets		277,192,346	200,229,168	53,108,316	12,626,190
Total assets		556,162,824	462,239,792	205,861,940	166,439,752
Equity					
Share capital	16.1	66,666,666	66,666,666	66,666,666	66,666,666
Reserves	16.2	136,807,583	116,005,780	9,632,925	599,348
Total equity attributable to owners of the Company		203,474,249	182,672,446	76,299,591	67,266,014
Non-controlling interests	2(a)(vii)	27,973,806	26,164,198	-	-
Total equity		231,448,055	208,836,644	76,299,591	67,266,014

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Liabilities					
Loans and borrowings	17	82,348,801	77,856,640	29,067,753	53,093,596
Deferred tax liabilities	12	15,631,300	19,802,712	-	-
Total non-current liabilities		97,980,101	97,659,352	29,067,753	53,093,596
Trade and other payables, including derivatives	18	108,217,268	106,920,012	64,705,328	39,866,385
Loans and borrowings	17	116,326,909	45,831,179	35,789,268	6,213,757
Current tax payable		2,190,491	2,992,605	-	-
Total current liabilities		226,734,668	155,743,796	100,494,596	46,080,142
Total liabilities		324,714,769	253,403,148	129,562,349	99,173,738
Total equity and liabilities		556,162,824	462,239,792	205,861,940	166,439,752

The notes on pages 82 to 165 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Revenue	19	309,681,874	285,906,068	20,864,265	16,816,028
Other income		13,942,578	13,206,303	9,426,895	1,390,925
Contract costs		(101,642,548)	(109,391,829)	-	-
Raw materials and consumables used		(62,321,512)	(54,971,741)	-	-
Purchase of finished goods		(16,656,574)	(12,387,328)	-	-
Changes in inventories		(51,089)	5,178,661	-	-
Employee benefits		(42,919,124)	(34,892,093)	(9,502,256)	(7,713,177)
Depreciation and amortisation expenses	20	(13,483,938)	(12,632,015)	(804,345)	(607,881)
Plant and production overheads		(17,543,711)	(14,185,891)	-	-
Oil palm plantation overheads		(276,853)	-	-	-
Transportation charges		(8,038,597)	(7,111,674)	-	-
Other expenses		(27,962,240)	(24,193,338)	(5,331,112)	(7,260,119)
Results from operating activities		32,728,266	34,525,123	14,653,447	2,625,776
Finance income	21	2,448,108	2,656,821	4,519,508	4,951,519
Finance costs	21	(5,043,227)	(2,636,057)	(5,236,376)	(3,709,754)
Net finance (costs)/income		(2,595,119)	20,764	(716,868)	1,241,765
Share of results of equity accounted associate		(40)	-	-	-
Profit before tax	20	30,133,107	34,545,887	13,936,579	3,867,541
Income tax expense	23	(2,729,207)	(10,361,567)	(970,087)	(1,788,419)
Profit for the financial year		27,403,900	24,184,320	12,966,492	2,079,122

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Profit for the financial year (continued)		27,403,900	24,184,320	12,966,492	2,079,122
Other comprehensive (expenses)/income, net of tax					
Foreign currency translation differences for foreign operations		(859,574)	83,030	-	-
Fair value changes of available-for-sale financial assets		(125,772)	-	(125,772)	-
Total other comprehensive (expenses)/income for the financial year		(985,346)	83,030	(125,772)	-
Total comprehensive income for the financial year		26,418,554	24,267,350	12,840,720	2,079,122
Profit for the financial year attributable to:					
- Owners of the Company		25,208,339	21,835,022	12,966,492	2,079,122
- Non-controlling interests		2,195,561	2,349,298	-	-
		27,403,900	24,184,320	12,966,492	2,079,122
Total comprehensive income for the financial year attributable to:					
- Owners of the Company		24,608,946	22,023,700	12,840,720	2,079,122
- Non-controlling interests		1,809,608	2,243,650	-	-
		26,418,554	24,267,350	12,840,720	2,079,122
Basic/Diluted earnings per ordinary share (sen)	24	19.87	17.21		

The notes on pages 82 to 165 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		Attributable to		
		Non-		
Group	**Note**	**Share capital RM**	**Revaluation reserve RM**	**Merger deficit RM**
At 1 April 2010				
- as previously stated		66,666,666	10,944,615	(16,833,045)
- effect of adopting FRS 138	33	-	-	-
- effect of adopting FRS 139	34	-	-	-
At 1 April 2010, restated		66,666,666	10,944,615	(16,833,045)
Realisation of revaluation reserve		-	(254,365)	-
Total other comprehensive income for the financial year				
- Foreign currency translation differences for foreign operations		-	-	-
Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	-
Distributions to owners of the Company				
- Own shares acquired	16.2	-	-	-
- Dividends to owners of the Company	25.2	-	-	-
		-	-	-
Changes in ownership interests in subsidiaries	32	-	-	-
Total transactions with owners of the Company		-	-	-
Transactions with non-controlling interests				
- shares issued by a subsidiary		-	-	-
At 31 March 2011		66,666,666	10,690,250	(16,833,045)
		(Note 16.1)	(Note 16.2)	(Note 16.2)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

owners of the Company →

distributable →

Foreign exchange translation reserve RM	Treasury shares RM	Fair value reserve RM	*Distributable* Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
(508,127)	(4,598,441)	-	93,827,455	149,499,123	26,460,197	175,959,320
-	-	-	13,281,273	13,281,273	-	13,281,273
-	-	-	(365,927)	(365,927)	(557,280)	(923,207)
(508,127)	(4,598,441)	-	106,742,801	162,414,469	25,902,917	188,317,386
-	-	-	254,365	-	-	-
188,678	-	-	-	188,678	(105,648)	83,030
-	-	-	21,835,022	21,835,022	2,349,298	24,184,320
188,678	-	-	21,835,022	22,023,700	2,243,650	24,267,350
-	(243)	-	-	(243)	-	(243)
-	-	-	(3,806,866)	(3,806,866)	-	(3,806,866)
-	(243)	-	(3,806,866)	(3,807,109)	-	(3,807,109)
(75,983)	-	-	2,117,369	2,041,386	(2,122,369)	(80,983)
(75,983)	(243)	-	(1,689,497)	(1,765,723)	(2,122,369)	(3,888,092)
-	-	-	-	-	140,000	140,000
(395,432)	(4,598,684)	-	127,142,691	182,672,446	26,164,198	208,836,644
(Note 16.2)	(Note 16.2)	(Note 16.2)				

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		Attributable to		
		Non-		
Group (continued)	**Note**	**Share capital RM**	**Revaluation reserve RM**	**Merger deficit RM**
At 1 April 2011		66,666,666	10,690,250	(16,833,045)
Realisation of revaluation reserve		-	(457,271)	-
Foreign currency translation differences for foreign operations		-	-	-
Fair value changes of available-for-sale financial assets		-	-	-
Total other comprehensive expenses for the financial year		-	-	-
Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	-
Distributions to owners of the Company				
- Own shares acquired	16.2	-	-	-
- Dividends to owners of the Company	25.2	-	-	-
Total distributions to owners of the Company		-	-	-
At 31 March 2012		66,666,666	10,232,979	(16,833,045)
		(Note 16.1)	(Note 16.2)	(Note 16.2)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	owners of the Company →						
	distributable →						
	Foreign exchange translation reserve RM	Treasury shares RM	Fair value reserve RM	*Distributable* Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
	(395,432)	(4,598,684)	-	127,142,691	182,672,446	26,164,198	208,836,644
	-	-	-	457,271	-	-	-
	(473,621)	-	-	-	(473,621)	(385,953)	(859,574)
	-	-	(125,772)	-	(125,772)	-	(125,772)
	(473,621)	-	(125,772)	-	(599,393)	(385,953)	(985,346)
	-	-	-	25,208,339	25,208,339	2,195,561	27,403,900
	(473,621)	-	(125,772)	25,208,339	24,608,946	1,809,608	26,418,554
	-	(283)	-	-	(283)	-	(283)
	-	-	-	(3,806,860)	(3,806,860)	-	(3,806,860)
	-	(283)	-	(3,806,860)	(3,807,143)	-	(3,807,143)
	(869,053)	(4,598,967)	(125,772)	149,001,441	203,474,249	27,973,806	231,448,055
	(Note 16.2)	(Note 16.2)	(Note 16.2)				

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Company	Note	Non-distributable Share capital RM	Non-distributable Treasury shares RM	Non-distributable Fair value reserve RM	Non-distributable Revaluation reserve RM	Distributable Retained earnings RM	Total RM
At 1 April 2010		66,666,666	(4,598,441)	-	211,762	6,714,014	68,994,001
Realisation of revaluation reserves		-	-	-	(4,427)	4,427	-
Profit/Total comprehensive income for the financial year		-	-	-	-	2,079,122	2,079,122
Distributions to owners of the Company							
- Own shares acquired	16.2	-	(243)	-	-	-	(243)
- Dividends to owners of the Company	25.2	-	-	-	-	(3,806,866)	(3,806,866)
Total distributions to owners of the Company		-	(243)	-	-	(3,806,866)	(3,807,109)
At 31 March 2011/ 1 April 2011		66,666,666	(4,598,684)	-	207,335	4,990,697	67,266,014
Realisation of revaluation reserves		-	-	-	(207,335)	207,335	-
Total other comprehensive expenses for the financial year							
- Fair value changes of available-for-sale financial assets		-	-	(125,772)	-	-	(125,772)
Profit for the financial year		-	-	-	-	12,966,492	12,966,492
Total comprehensive income for the financial year		-	-	(125,772)	-	12,966,492	12,840,720
Distributions to owners of the Company							
- Own shares acquired	16.2	-	(283)	-	-	-	(283)
- Dividends to owners of the Company	25.2	-	-	-	-	(3,806,860)	(3,806,860)
Total distributions to owners of the Company		-	(283)	-	-	(3,806,860)	(3,807,143)
At 31 March 2012		66,666,666	(4,598,967)	(125,772)	-	14,357,664	76,299,591
		(Note 16.1)	(Note 16.2)	(Note 16.2)	(Note 16.2)	(Note 16.2)	

The notes on pages 82 to 165 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Cash flows from operating activities					
Profit before tax		30,133,107	34,545,887	13,936,579	3,867,541
Adjustments for:					
Amortisation of:					
- goodwill	8	430,338	322,622	-	-
- oil palm plantation development expenditure	5	115,539	-	-	-
- other intangible assets	9.2	3,936,615	4,555,182	-	-
- prepaid lease payments	4	119,136	119,136	-	-
Depreciation of property, plant and equipment	3.6	8,882,310	7,635,075	804,345	607,881
Derivative (gain)/loss on forward foreign currency contracts		(27,212)	47,886	-	-
Dividend income		(47,465)	(1,100)	(8,131,065)	(7,001,100)
(Gain)/Loss on disposal of:					
- intangible assets		-	(6,616,762)	-	-
- other investments		(144,532)	(805)	(110,515)	(805)
- property, plant and equipment		(3,198,649)	(38,748)	(2,584,137)	2,071
Finance costs	21	5,043,227	2,636,057	5,236,376	3,709,754
Finance income	21	(2,448,108)	(2,656,821)	(4,519,508)	(4,951,519)
Impairment loss on goodwill	8	1,349,953	-	-	-
Property, plant and equipment written off		76,249	94,381	-	-
Unrealised foreign exchange (gain)/loss		(139,989)	489,650	-	-
(Net reversal of allowance)/Allowance for impairment loss on investment in subsidiaries		-	-	(5,222,402)	611,718
Share of results of equity accounted associate	7	40	-	-	-
Operating profit/(loss) before changes in working capital		44,080,559	41,131,640	(590,327)	(3,154,459)
Changes in working capital:					
Inventories		7,276,049	(3,869,510)	-	-
Trade and other receivables, deposits and prepayments		(56,299,778)	(32,041,613)	57,918,772	(16,808,539)
Trade and other payables		3,186,146	(2,678,299)	(38,161,057)	904,561
Cash (used in)/generated from operations		(1,757,024)	2,542,218	19,167,388	(19,058,437)
Interest paid		(879,728)	(106,023)	(28,570)	(23,834)
Income tax paid		(13,450,996)	(10,311,844)	(211,713)	(72,249)
Net cash (used in)/from operating activities		(16,087,748)	(7,875,649)	18,927,105	(19,154,520)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash flows from investing activities					
Acquisition of:					
- an associate		(40)	-	(40)	-
- a subsidiary	32	-	-	(2)	-
- intangible assets		(926,904)	(2,260,000)	-	-
- other investments		(2,132,563)	(100,800)	(2,132,563)	-
- property, plant and equipment [Note (i)]		(20,496,784)	(27,243,173)	(2,088,435)	(956,606)
Increase in investment in a subsidiary	32	-	(5,000)	(99,998)	(5,000)
Incurrence of oil palm plantation development expenditure, net of depreciation and amortisation expenses and interest capitalised		(8,978,089)	(10,757,428)	-	-
Proceeds from disposal of:					
- intangible assets		-	18,325,329	-	-
- other investments		1,137,471	2,113	1,002,654	2,113
- property, plant and equipment		1,008,524	1,161,687	622,909	27,064
- subsidiaries	32	-	-	-	691,000
Decrease in cash and cash equivalents pledged with licenced banks		6,858,014	5,271,327	-	-
Dividends received		47,385	1,027	6,996,235	5,250,976
Interest received		1,781,960	1,077,936	4,123,998	4,547,539
Net cash (used in)/from investing activities		(21,701,026)	(14,526,982)	8,424,758	9,557,086
Cash flows from financing activities					
Net repayments of Islamic Bonds		(5,000,000)	(10,000,000)	(5,000,000)	(10,000,000)
Net proceeds of other loans and borrowings		75,987,179	42,330,728	10,549,668	28,697,353
Proceeds from issuance of shares to non-controlling interests		-	140,000	-	-
Repurchase of treasury shares	16.2	(283)	(243)	(283)	(243)
Interest paid		(5,314,774)	(3,612,770)	(5,207,806)	(3,685,920)
Dividends paid to owners of the Company	25.2	(3,806,860)	(3,806,866)	(3,806,860)	(3,806,866)
Net cash from/(used in) financing activities		61,865,262	25,050,849	(3,465,281)	11,204,324
Net increase in cash and cash equivalents		24,076,488	2,648,218	23,886,582	1,606,890
Effect of exchange rate fluctuations on cash held		(1,296,301)	395,030	-	-
Cash and cash equivalents at beginning of financial year		28,294,075	25,250,827	9,478,860	7,871,970
Cash and cash equivalents at end of financial year [Note (ii)]		51,074,262	28,294,075	33,365,442	9,478,860

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Notes

(i) Acquisition of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment in the following manners:

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Paid using internal funds	20,496,784	27,243,173	2,088,435	956,606
In the form of finance lease assets	2,880,800	4,123,883	-	610,000
Deposits paid in prior years	-	13,140	-	-
Total (see Note 3)	23,377,584	31,380,196	2,088,435	1,566,606

(ii) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts in the statements of financial position:

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Deposits placed with licensed banks with maturities less than three months	40,388,879	18,635,762	33,841,459	9,215,762
Cash in hand and at banks	11,805,295	9,658,313	(476,017)	263,098
Total (see Note 15)	52,194,174	28,294,075	33,365,442	9,478,860
Bank overdrafts (see Note 17)	(1,119,912)	-	-	-
Total cash and cash equivalents as shown in the statements of cash flows	51,074,262	28,294,075	33,365,442	9,478,860

NOTES TO THE FINANCIAL STATEMENTS

Weida (M) Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The addresses of the registered office and principal places of business of the Company are as follows:

Registered office
Wisma Hock Peng, Ground Floor to 2nd Floor, 123, Green Heights, Jalan Lapangan Terbang, 93250 Kuching, Sarawak.

Principal places of business

- Kuching branch	Wisma Hock Peng, Ground Floor to 2nd Floor, 123, Green Heights, Jalan Lapangan Terbang, 93250 Kuching, Sarawak.
- Kota Kinabalu branch	2-9-1 & 2-9-2, 8th Floor, Wawasan Plaza, 88000 Kota Kinabalu, Sabah.
- Kuala Lumpur branch	Lot 3.05, Level 1 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associate. The financial statements of the Company as at and for the financial year ended 31 March 2012 do not include other entities.

The Company is principally engaged in investment holding and the provision of management services to its subsidiaries while the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 25 July 2012.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs"), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are only effective for annual periods beginning on or after the respective dates indicated herein:

FRS/Amendment/Interpretation	**Effective date**
Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*	1 July 2011
IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
FRS 124, *Related Party Disclosures* (revised)	1 January 2012
Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7, *Financial Instruments: Disclosures - Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112, *Income Taxes - Deferred Tax: Recovery of Underlying Assets*	1 January 2012
Amendments to FRS 101, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income*	1 July 2012
FRS 10, *Consolidated Financial Statements*	1 January 2013
FRS 11, *Joint Arrangements*	1 January 2013
FRS 12, *Disclosure of Interests in Other Entities*	1 January 2013
FRS 13, *Fair Value Measurement*	1 January 2013
FRS 119, *Employee Benefits* (2011)	1 January 2013

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRS/Amendment/Interpretation	Effective date
FRS 127, *Separate Financial Statements* (2011)	1 January 2013
FRS 128, *Investments in Associates and Joint Ventures* (2011)	1 January 2013
IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mining*	1 January 2013
Amendments to FRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilites*	1 January 2013
Amendments to FRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 9, *Financial Instruments* (2009)	1 January 2015
FRS 9, *Financial Instruments* (2010)	1 January 2015
Amendments to FRS 7, *Financial Instruments: Disclosures - Mandatory Date of FRS 9 and Transition Disclosures*	1 January 2015

The initial application of a 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 to the current and prior periods financial statements upon its first adoption.

IC Interpretation 19, which is to be applied retrospectively, provides guidance on accounting for debt-to-equity swap. Equity instruments issued to a creditor to extinguish all or a part of a financial liability would be "consideration paid" in accordance with paragraph 41 of FRS 139, *Financial Instruments: Recognition and Measurement*. The equity instruments would be measured initially at the fair value of those equity instruments unless that fair value cannot be reliably measured, in which case the equity instruments should be measured to reflect the fair value of the financial liability extinguished. Any difference between the carrying amount of the financial liability and the initial measurement of the equity instruments would be recognised as a gain or loss in profit or loss. The adoption of ICI 19 is not expected to have a material impact to the Group.

The revised FRS 124 removes the exemptions to disclose transactions between government-related entities and the government, and all other government-related entities. The new disclosures required for government-related entities include the identity of government, the nature of their relationship as well as the nature and the extent or amounts of individually or collectively significant transactions.

MASB, in furtherance with its objective of converging the accounting framework for entities other than private entities in Malaysia with International Financial Reporting Standards, announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards ("MFRSs"). Entities other than private entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141, *Agriculture* and/or IC Interpretation 15, *Agreements for the Construction of Real Estate.*

An entity subject to the application of MFRS 141 and/or IC Interpretation 15 (hereinafter referred to as transitioning entity), and the entity that consolidates or equity accounts or proportionately consolidates the transitioning entity, may continue to apply FRS as their financial reporting framework for annual reporting periods beginning on or after 1 January 2012. These entities were required however, in accordance with MASB's announcement on 19 November 2011, to comply with the MFRS framework for annual periods beginning on or after 1 January 2013.

On 30 June 2012, MASB made a further announcement to allow the transitioning entities to defer the adoption of the MFRS framework for another year. Transitioning entities are now required to apply the MFRS framework for annual reporting periods beginning on or after 1 January 2014 by the latest.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

In view of the foregoing, entities of the Group which are not transitioning entities will migrate to the MFRS framework from the financial year beginning on 1 April 2012. The rest of the Group, including the Company, will migrate to the MFRS framework from the financial year beginning on 1 April 2014.

Accordingly, the Company and the transitioning entities of the Group plan to apply the FRS standards, amendments and interpretations that are effective for annual periods beginning on or before 1 April 2012 for the preparation of their financial statements for the financial year ending 31 March 2013 and those effective for annual periods beginning on or before 1 April 2013; for the preparation of their financial statements for the financial year ending 31 March 2014, except those assessed as being presently not applicable to them. The latter includes Amendments to IC Interpretation 14, Amendments to FRS 1, Amendments to FRS 112, FRS 11 and IC Interpretation 20.

The financial statements of the Group will continue to be prepared in compliance with FRS for the financial years ending 31 March 2013 and 31 March 2014. They will be prepared in compliance with MFRS from the financial year beginning on 1 April 2014.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, other than as disclosed in Note 2.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future periods affected thereby.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3.7, impairment review of property, plant and equipment;
- Note 6, impairment review of investment in subsidiaries;
- Note 8, impairment testing for cash-generating units containing goodwill;
- Note 10.3, assessment of impairment loss on receivables;
- Note 12, recognition of deferred tax assets; and
- Recognition of profit from construction contracts and installation works, as follows:

(i) Profit from installation and construction of wastewater and water treatment systems

The Group recognises contract revenue and contract costs from the installation and construction of wastewater and water treatment systems in profit or loss in proportion to the stage of completion of transactions at the reporting period. The stage of completion is measured by reference to survey of work performed.

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(ii) Profit from telecommunication towers contracts

The Group recognises contract revenue and contract costs from the construction of telecommunication towers in profit or loss using the stage of completion method. The stage of completion is determined by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

Significant judgement is required in determining the stage of completion of installation/construction contracts, accrual of costs incurred for which claims/billings have yet to be received, estimated total contract revenue and contract costs as well as the recoverability of the carrying amount of contract work-in-progress. The total contract revenue also includes an estimation of variations that are recoverable from contract customers.

In making such estimations and judgements, the Group relies on, *inter alia*, past experiences and the assessment of its experienced project teams.

2. Significant accounting policies

The following are the significant accounting policies of the Group, which have been consistently applied to the periods presented in these financial statements, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale. The cost of investment includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

Business combinations, other than those involving a common control transactions [see Note 2(a)(iii)], are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 April 2011, the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard and does not have an impact on earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

***(ii) Accounting for business combinations* (continued)**

Acquisitions on or after 1 April 2011

For acquisitions on or after 1 April 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's award) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions between 1 April 2006 and 1 April 2011

For acquisitions between 1 April 2006 and 1 April 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 April 2006

For acquisitions prior to 1 April 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Accounting for acquisitions of entities under common controls

Business combinations involving a common control transaction (i.e. entailing entities that are under the control of common shareholders) are accounted for as if the acquisition(s) had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised in the consolidated financial statements at their respective carrying amounts without restatement. The difference between the cost of acquisition and the nominal value of the shares acquired together with any share premium are taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences). The other components of equity of the acquired entities are added to the same components within group equity.

(iv) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against group reserves.

(v) Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the Standard which do not have an impact on earnings per share.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous financial years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

(vi) Associates

Associates are entities in which the Group has significant influence, but not control, over their financial and operating policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale). The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted associates, after adjustments, if any, to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

***(vi) Associates* (continued)**

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to make, or has made, payments on behalf of the investee.

Investment in associates is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale). The cost of the investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting date, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the Standard and does not have an impact on earnings per share.

In the previous financial years, where losses applicable to the non-controlling interests exceeded their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment to the underlying assets.

2. Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the end of a reporting period (reporting date) are retranslated to the functional currency at the exchange rates at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the transaction dates.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is transferred to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR within equity.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

(ii) Financial instruments categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables, as well as cash in hand and at bank.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instruments categories and subsequent measurement (continued)

Financial assets (continued)

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment [see Note 2(k)(i)].

Financial liabilities

All financial liabilities are subsequently measured at amortised cost, other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) the derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or a part thereof is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part thereof is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

The Group revalues its property comprising freehold land, leasehold land (other than prepaid lease payments) and buildings using the open market value method every five (5) years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to profit or loss. All other property, plant and equipment are stated at amortised cost.

Prior to the adoption of FRS 117, *Leases* in 2008, all leasehold land (including prepaid lease payments) was revalued at the intervals described in the preceding paragraph. Prepaid lease payments cease to be revalued following the adoption of FRS 117.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and for qualifying assets, capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination, except that involving common control transaction, is based on fair value at acquisition date.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Save for the above, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives of the assets for the current and comparative periods are as follows:

Leasehold land	over lease terms of 38 years to 98 years
Buildings	5, 20 or 50 years
Electrical installation and renovation	5 or 10 years
Equipment and tools	3 or 8 years
Plantation infrastructure	25 years
Other infrastructure	20 years
Motor vehicles	5 years
Office equipment, furniture and fittings	3, 5 or 10 years
Plant, machinery and moulds	3, 5 or 10 years
Site equipment	10 years

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, a leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset [see Note 2(d)].

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets, other than prepaid lease payments, are not recognised in the statement of financial position.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

2. Significant accounting policies (continued)

(f) Oil palm plantation development expenditure

New planting expenditure including land clearing, planting, upkeep of immature oil palms and borrowing costs net of sale proceeds from scout harvesting incurred during the pre-maturity period (pre-cropping costs) are capitalised as oil palm plantation development expenditure. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss.

The capitalised pre-cropping costs of matured plantations are amortised on a straight-line basis over 25 years, the expected useful life of the oil palms, commencing from the year when the plantations are declared mature.

All replanting expenditure is similarly capitalised and amortised on the above-mentioned basis.

(g) Intangible assets

(i) Goodwill

Goodwill with an indefinite life arising on business combinations is measured at cost less any accumulated impairment losses. Goodwill with a finite life is stated at cost less accumulated amortisation and any accumulated impairment loss. In respect of equity accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

(ii) Other intangible assets

Other intangible assets, all with finite useful lives (see Note 9), are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iv) Amortisation

Goodwill with indefinite useful lives is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

Goodwill and other intangible assets with finite useful lives are amortised to profit or loss from the date that they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the assets, except that in the case of the rights to share rental proceeds of telecommunication towers, it is based on the estimated share of rental proceeds in a reporting period over the total estimated share of rental proceeds over ten years.

2. Significant accounting policies (continued)

(g) Intangible assets (continued)

(iv) Amortisation (continued)

Their estimated useful lives for the current and comparative periods are as follows:

Goodwill:	
- Interest in construction contracts of foreign operation	Stage of completion of the contracts
- Interest in sludge treatment service concession	25 years
Other intangible assets:	
- Rights to share rental proceeds of telecommunication towers	10 years
- Licences to use intellectual property	5 or 15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(v) Disposals

The gain or loss on disposal of an item of intangible assets is determined by comparing the proceeds from disposal with the carrying amount of the item of intangible assets and is recognised net within "other income" or "other expense" respectively in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of raw materials, consumables and construction materials are measured on the first-in first-out basis while that of manufactured/trading inventories and plantation inventories, the weighted average costs basis.

Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost also includes an appropriate share of production overheads based on normal operating capacity.

Oil palm nursery inventories consist of seedlings remaining in the nursery for eventual field planting.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's construction activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade and other receivables as amount due from contract customers in statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings (see Note 10). If progress billings exceed costs incurred plus recognised profits, then the difference is presented as part of trade and other payables as amount due to contract customers in statement of financial position (see Note 18).

2. Significant accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with licenced banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less. For the purpose of the statement cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2(c).

(k) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries and associate) are assessed at each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(k) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories [refer Note 2(h)], construction work-in-progress [refer to Note 2(i)]) and deferred tax assets [refer Note 2(q)], are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (known as cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or the group of cash-generating units and then to reduce the carrying amount of the other assets in the cash-generating unit (or a groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

2. Significant accounting policies (continued)

(l) Equity instruments (continued)

(ii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(iii) Repurchase, disposal and reissue of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

Where treasury shares are cancelled, their nominal amounts are eliminated and the difference between their cost and nominal amounts is taken to reserves in the statement of changes in equity as appropriate.

(m) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries and annual bonuses are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

Contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2. Significant accounting policies (continued)

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Revenue and other income

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Construction contract income

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs for telecommunication towers construction contracts and survey of work performed for installation and construction of waste water and water treatment contracts.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

2. Significant accounting policies (continued)

(o) Revenue and other income (continued)

(iii) Services rendered

Revenue from the provision of underground mapping of buried utilities, closed circuit television survey and investigation and rehabilitation of underground sewer and pipeline networks and storm water culverts is recognised in profit or loss in proportion to the stage of completion of the transactions at the reporting period. The stage of completion of a transaction is assessed by reference to the survey of work performed. Where the outcome of a transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are likely to be recoverable.

Revenue from the provision of sludge treatment and disposal service is recognised in profit or loss as it accrues, based on rates agreed with customers.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(v) Management fee

Management fee is recognised in profit or loss as it accrues at contracted rates.

(vi) Share of rental proceeds

Share of rental proceeds with a network facility provider licence holder from the leasing of telecommunication towers is recognised in profit or loss on a straight-line basis over the term of the lease (see also Note 9.1).

(vii) Rental income

Rental income from letting/hiring of assets is recognised in profit or loss on a straight-line basis over the term of the lease.

(viii) Interest income

Interest income is recognised in profit or loss as it accrues using the effective interest method except for interest income arising from temporary investment of borrowings taken specifically for the purpose of financing a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. Significant accounting policies (continued)

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

Group	Freehold land RM	Leasehold land RM	Buildings RM
Cost/Valuation			
At 1 April 2010	4,075,000	56,993,870	26,863,954
Additions	910,012	-	1,033,704
Disposals	-	-	-
Write-offs	-	-	(13,123)
Reclassifications	-	-	3,013,893
Effect of movements in exchange rates	-	-	-
At 31 March 2011/1 April 2011	4,985,012	56,993,870	30,898,428
Additions	-	-	483,653
Disposals	-	(2,700,000)	(1,050,000)
Write-offs	-	-	(7,355)
Reclassifications	-	-	411,577
Effect of movements in exchange rates	-	-	-
At 31 March 2012	4,985,012	54,293,870	30,736,303
Representing items at:			
Cost	910,012	42,513,870	10,769,114
Directors' valuation	4,075,000	11,780,000	19,967,189
At 31 March 2012	4,985,012	54,293,870	30,736,303

Plant, machinery and moulds Outright purchase RM	Plant, machinery and moulds Under finance lease RM	Office equipment, equipment and tools Outright purchase RM	Office equipment, equipment and tools Under finance lease RM	Subtotal RM
39,495,296	5,446,357	12,539,045	261,023	145,674,545
3,707,389	781,400	1,950,173	1,083,852	9,466,530
(155,621)	-	(350,659)	-	(506,280)
(13,758)	-	(377,531)	-	(404,412)
5,273,369	-	137,899	(119,957)	8,305,204
(86,965)	-	(19,594)	-	(106,559)
48,219,710	6,227,757	13,879,333	1,224,918	162,429,028
2,706,250	2,009,288	2,376,357	-	7,575,548
(3,529,431)	-	(529,965)	-	(7,809,396)
(87,686)	-	(281,468)	-	(376,509)
6,758,789	300,000	57,406	(252,745)	7,275,027
57,226	-	13,949	-	71,175
54,124,858	8,537,045	15,515,612	972,173	169,164,873
54,124,858	8,537,045	15,515,612	972,173	133,342,684
-	-	-	-	35,822,189
54,124,858	8,537,045	15,515,612	972,173	169,164,873

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)	Freehold land RM	Leasehold land RM	Buildings RM
Depreciation			
At 1 April 2010	-	2,728,539	402,034
Depreciation for the financial year	-	969,391	740,481
Disposals	-	-	-
Write-offs	-	-	(6,231)
Reclassifications	-	-	-
Effect of movements in exchange rates	-	-	-
At 31 March 2011/1 April 2011	-	3,697,930	1,136,284
Depreciation for the financial year	-	960,112	871,371
Disposals	-	(109,021)	(40,173)
Write-offs	-	-	(1,431)
Reclassifications	-	-	(260)
Effect of movements in exchange rates	-	-	-
At 31 March 2012	-	4,549,021	1,965,791
Carrying amounts			
At 1 April 2010	4,075,000	54,265,331	26,461,920
At 31 March 2011/1 April 2011	4,985,012	53,295,940	29,762,144
At 31 March 2012	4,985,012	49,744,849	28,770,512

NOTES TO THE FINANCIAL STATEMENTS

Plant, machinery and moulds		Office equipment, equipment and tools		
Outright purchase RM	Under finance lease RM	Outright purchase RM	Under finance lease RM	Subtotal RM
22,899,320	533,983	7,678,249	86,395	34,328,520
4,143,462	749,692	1,599,308	136,955	8,339,289
(62,286)	-	(249,094)	-	(311,380)
(2,752)	-	(338,700)	-	(347,683)
-	2,900	87,940	(82,872)	7,968
(38,312)	-	(10,356)	-	(48,668)
26,939,432	1,286,575	8,767,347	140,478	41,968,046
4,889,273	1,195,307	1,780,357	405,153	10,101,573
(557,839)	-	(377,239)	-	(1,084,272)
(33,651)	-	(217,259)	-	(252,341)
34,994	28,280	(61,556)	(1,960)	(502)
18,328	-	5,029	-	23,357
31,290,537	2,510,162	9,896,679	543,671	50,755,861
16,595,976	4,912,374	4,860,796	174,628	111,346,025
21,280,278	4,941,182	5,111,986	1,084,440	120,460,982
22,834,321	6,026,883	5,618,933	428,502	118,409,012

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)	Subtotal RM	Motor vehicles Outright purchase RM	Motor vehicles Under finance lease RM	Electrical installation and renovation RM
Cost/Valuation (continued)				
At 1 April 2010	145,674,545	8,958,255	1,944,135	2,218,144
Additions	9,466,530	1,560,327	2,053,534	76,024
Disposals	(506,280)	(584,374)	-	(36,900)
Write-offs	(404,412)	-	-	(48,781)
Reclassifications	8,305,204	534,847	(534,847)	-
Effect of movements in exchange rates	(106,559)	(14,022)	-	(15,285)
At 31 March 2011/1 April 2011	162,429,028	10,455,033	3,462,822	2,193,202
Additions	7,575,548	891,475	1,205,627	1,187,782
Disposals	(7,809,396)	(846,200)	-	(60,589)
Write-offs	(376,509)	(47,432)	-	(76,226)
Reclassifications	7,275,027	132,237	(132,237)	(9,468)
Effect of movements in exchange rates	71,175	9,405	-	10,360
At 31 March 2012	169,164,873	10,594,518	4,536,212	3,245,061
Representing items at:				
Cost	133,342,684	10,594,518	4,536,212	3,245,061
Directors' valuation	35,822,189	-	-	-
At 31 March 2012	169,164,873	10,594,518	4,536,212	3,245,061

NOTES TO THE FINANCIAL STATEMENTS

Site equipment RM	Plantation infra-structure RM	Other infra-structure RM	Assets under construction RM	Grand total RM
1,454,900	5,035,504	4,881,967	14,668,535	184,835,985
104,420	-	477,650	17,641,711	31,380,196
(23,933)	-	-	(606,424)	(1,757,911)
(10,955)	-	(4,250)	-	(468,398)
(10,800)	-	(1,734)	(8,292,670)	-
-	-	(9,948)	-	(145,814)
1,513,632	5,035,504	5,343,685	23,411,152	213,844,058
6,850	1,177,780	675,694	10,656,828	23,377,584
-	-	-	-	(8,716,185)
(3,500)	-	-	-	(503,667)
(78,941)	1,334,774	59,180	(8,580,572)	-
-	-	6,632	-	97,572
1,438,041	7,548,058	6,085,191	25,487,408	228,099,362
1,438,041	7,548,058	6,085,191	25,487,408	192,277,173
-	-	-	-	35,822,189
1,438,041	7,548,058	6,085,191	25,487,408	228,099,362

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)	Subtotal RM	Motor vehicles Outright purchase RM	Motor vehicles Under finance lease RM	Electrical installation and renovation RM
Depreciation (continued)				
At 1 April 2010	34,328,520	5,736,417	499,736	1,445,775
Depreciation for the financial year	8,339,289	1,255,861	635,367	124,366
Disposals	(311,380)	(289,769)	-	(13,244)
Write-offs	(347,683)	-	-	(13,174)
Reclassifications	7,968	459,057	(459,057)	-
Effect of movements in exchange rates	(48,668)	(10,153)	-	(5,443)
At 31 March 2011/1 April 2011	41,968,046	7,151,413	676,046	1,538,280
Depreciation for the financial year	10,101,573	1,352,319	898,235	169,533
Disposals	(1,084,272)	(725,569)	-	(59,240)
Write-offs	(252,341)	(47,432)	-	(71,253)
Reclassifications	(502)	52,500	(52,498)	-
Effect of movements in exchange rates	23,357	4,876	-	2,586
At 31 March 2012	50,755,861	7,788,107	1,521,783	1,579,906
Carrying amounts (continued)				
At 1 April 2010	111,346,025	3,221,838	1,444,399	772,369
At 31 March 2011/1 April 2011	120,460,982	3,303,620	2,786,776	654,922
At 31 March 2012	118,409,012	2,806,411	3,014,429	1,665,155

Site equipment RM	Plantation infra-structure RM	Other infra-structure RM	Assets under construction RM	Grand total RM
988,708	-	1,542,099	-	44,541,255
108,579	201,420	305,792	-	10,970,674
(20,579)	-	-	-	(634,972)
(10,486)	-	(2,674)	-	(374,017)
(7,968)	-	-	-	-
-	-	(5,582)	-	(69,846)
1,058,254	201,420	1,839,635	-	54,433,094
100,381	230,534	336,054	-	13,188,629
-	-	-	-	(1,869,081)
(3,499)	-	-	-	(374,525)
500	-	-	-	-
-	-	2,375	-	33,194
1,155,636	431,954	2,178,064	-	65,411,311
466,192	5,035,504	3,339,868	14,668,535	140,294,730
455,378	4,834,084	3,504,050	23,411,152	159,410,964
282,405	7,116,104	3,907,127	25,487,408	162,688,051

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Company	Leasehold land RM	Buildings RM	Office equipment, furniture and fittings RM
Cost			
At 1 April 2010	2,700,000	1,050,000	2,660,631
Additions	-	-	435,389
Disposals	-	-	(44,544)
At 31 March 2011/1 April 2011	2,700,000	1,050,000	3,051,476
Additions	-	-	644,299
Disposals	(2,700,000)	(1,050,000)	(209,206)
Reclassifications	-	-	114,959
At 31 March 2012	-	-	3,601,528
Depreciation			
At 1 April 2010	62,629	3,651	1,816,844
Depreciation for the financial year	27,835	21,913	325,614
Disposals	-	-	(15,409)
At 31 March 2011/1 April 2011	90,464	25,564	2,127,049
Depreciation for the financial year	18,557	14,609	377,328
Disposals	(109,021)	(40,173)	(192,589)
At 31 March 2012	-	-	2,311,788
Carrying amounts			
At 1 April 2010	2,637,371	1,046,349	843,787
At 31 March 2011/1 April 2011	2,609,536	1,024,436	924,427
At 31 March 2012	-	-	1,289,740

Motor vehicles Outright purchase RM	Motor vehicles Under finance lease RM	Renovation RM	Assets under construction RM	Total RM
650,881	-	1,419,389	114,959	8,595,860
403,535	727,682	-	-	1,566,606
-	-	-	-	(44,544)
1,054,416	727,682	1,419,389	114,959	10,117,922
296,000	-	1,148,136	-	2,088,435
(327,689)	-	(60,589)	-	(4,347,484)
-	-	-	(114,959)	-
1,022,727	727,682	2,506,936	-	7,858,873
599,585	-	1,154,420	-	3,637,129
66,903	119,780	45,836	-	607,881
-	-	-	-	(15,409)
666,488	119,780	1,200,256	-	4,229,601
146,563	145,536	101,752	-	804,345
(327,689)	-	(59,240)	-	(728,712)
485,362	265,316	1,242,768	-	4,305,234
51,296	-	264,969	114,959	4,958,731
387,928	607,902	219,133	114,959	5,888,321
537,365	462,366	1,264,168	-	3,553,639

3. Property, plant and equipment (continued)

3.1 Leasehold land

Leasehold land comprises:

	Carrying amounts			
	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Leasehold land				
Long term	38,207,074	41,513,022	-	2,609,536
Short term	11,537,775	11,782,918	-	-
	49,744,849	53,295,940	-	2,609,536

3.2 Property, plant and equipment under the revaluation model

Following a revaluation that was carried out during the financial year ended 31 March 2010, revaluation surplus of RM3,388,663 and RM212,500 respectively were taken up in the revaluation reserve accounts of the Group and of the Company. Surplus of RM279,423 arising from the revaluation of certain freehold land and buildings of the Group was recognised as income during the financial year ended 31 March 2010 to the extent that it reversed a revaluation deficit of these assets previously recognised as an expense in profit or loss. Buildings of the Group/Company with net revaluation surplus of RM207,335 were disposed of during the current financial year.

Had the land and buildings been carried under the cost model, their carrying amounts, net of any accumulated depreciation and accumulated impairment loss where applicable, that would have been included in the financial statements at the end of the financial year are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Freehold land	3,651,045	3,651,045	-	-
Leasehold land	3,699,598	3,780,681	-	-
Buildings	20,313,866	21,302,652	-	750,666
	27,664,509	28,734,378	-	750,666

3.3 Title of land

The title to one (2011: one) parcel of leasehold land with a carrying amount of RM1,761,191 (2011: RM1,781,493) has yet to be issued by the relevant authority.

3. Property, plant and equipment (continued)

3.4 Security

Leasehold land with a carrying amount of RM36,445,883 (2011: RM37,121,993) is charged to secure a term loan facility granted to a subsidiary (see Note 17.2).

Assets under finance lease are charged to secure the finance lease liabilities of the Group and the Company (see Note 17.2).

3.5 Assets under construction

These comprise plantation infrastructure and buildings under construction as well as plant and machineries under installation. Additions to the assets under construction include:

	Group	
	2012	**2011**
	RM	**RM**
Rental of machinery	32,712	66,419
Personnel expenses (including key management personnel)		
- contributions to state plans	17,875	8,715
- wages, salaries and others	463,668	199,697
Finance costs capitalised	1,141,208	876,542

3.6 Allocation of depreciation

Depreciation for the financial year is allocated as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Recognised in profit or loss (Note 20)	8,882,310	7,635,075	804,345	607,881
Capitalised in:				
- oil palm plantation development expenditure (Note 5)	2,600,348	2,336,832	-	-
- contract costs (Note 10.2)	1,705,971	998,767	-	-
	13,188,629	10,970,674	804,345	607,881

3.7 Impairment review of property, plant and equipment

Due to gross loss reported from its waste tyre recycling operations, the Group has evaluated whether the underlying buildings and plant and machinery are stated in excess of their recoverable amounts. The recoverable amounts of the assets are based on their estimated fair values, which are determined by reference to the market values of similar assets and after taking into accounts the age and physical condition of the assets. The carrying amounts of the affected assets of RM13,904,031 (2011: RM16,887,367) as at 31 March 2012 are not impaired as the estimated fair values are higher than their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

4. Prepaid lease payments - Group

	Leasehold land Unexpired term less than 50 years RM
Cost	
At 1 April 2010, 31 March 2011/1 April 2011 and 31 March 2012	4,380,000
Amortisation	
At 1 April 2010	614,126
Amortisation for the financial year (Note 20)	119,136
At 31 March 2011/1 April 2011	733,262
Amortisation for the financial year (Note 20)	119,136
At 31 March 2012	852,398
Carrying amounts	
At 1 April 2010	3,765,874
At 31 March 2011/1 April 2011	3,646,738
At 31 March 2012	3,527,602

5. Oil palm plantation development expenditure - Group

	RM
Cost	
At 1 April 2010	18,463,813
Additions	14,731,940
At 31 March 2011/1 April 2011	33,195,753
Additions	13,050,067
At 31 March 2012	46,245,820

5. Oil palm plantation development expenditure - Group (continued)

	RM
Amortisation	
Amortisation for the financial year 2012 (Note 20) and balance at 31 March 2012	115,539
Carrying amounts	
At 1 April 2010	18,463,813
At 31 March 2011/1 April 2011	33,195,753
At 31 March 2012	46,130,281

Additions to oil palm plantation development expenditure incurred during the current financial year include:

	Group	
	2012 RM	**2011 RM**
Depreciation of property, plant and equipment (Note 3.6)	2,600,348	2,336,832
Personnel expenses (including key management personnel)		
- contributions to state plans	209,623	177,098
- wages, salaries and others	5,007,772	3,539,898
Finance costs capitalised	1,471,630	1,637,680

6. Investment in subsidiaries

	Company	
	2012 RM	**2011 RM**
Unquoted shares, at cost	111,833,040	48,733,040
Deemed capital contribution arising from remeasurement of inter-company loans and advances	1,547,173	1,547,173
Less: Impairment loss	(1,392,014)	(6,614,416)
	111,988,199	43,665,797

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries (continued)

Details of the subsidiaries, all of which are incorporated in Malaysia except for Weida Philippines Inc. and Weida (B) Sdn. Bhd., which are incorporated in the Philippines and Brunei Darussalam respectively, and the Company's interests therein are as follows:

Subsidiary	Principal activities	Effective ownership interest (%) 2012	2011
Weida Integrated Industries Sdn. Bhd. ("WII") #	Manufacture and sale of high density polyethylene ("HDPE") products and reclaimed rubber	100.00	100.00
Weida Works Sdn. Bhd. #	Construction of water supply and other specialised systems involving the use of HDPE products, construction and share of rental proceeds from telecommunication towers	100.00	100.00
Weida Resources Sdn. Bhd. #	Trading of HDPE products, fittings and other engineering products and the provision of specialised installation services for these products as well as design, supply and installation, commissioning and maintenance of sewerage systems	100.00	100.00
Weida Water Sdn. Bhd.	Dormant	100.00	100.00
Weidaline Sdn. Bhd.	Dormant	100.00	100.00
Weida Eco Rubber Sdn. Bhd. (formerly known as Weida Agrotech Sdn. Bhd.)	Dormant	100.00	100.00
Weida Green Industries Sdn. Bhd. (formerly known as Weida Dagangan Sdn. Bhd.)	Dormant	100.00	100.00
Weida Oil & Gas Sdn. Bhd. ("WOGSB") @	Dormant	100.00	100.00
Weida Marketing Sdn. Bhd.	Trading of HDPE products and the provision of specialised installation services for these products	100.00	100.00
Weida International Sdn. Bhd. ("WISB")	Investment holding	100.00	100.00
Maju Warisanmas Sdn. Bhd.	Letting of investment property	100.00	100.00
Weidaya Sdn. Bhd.	Dormant	70.00	70.00

6. Investment in subsidiaries (continued)

Subsidiary	Principal activities	Effective ownership interest (%) 2012	2011
Weida Environmental Technology Sdn. Bhd. ("WET")	Provision of sewerage treatment services comprising the design, supply and installation, commissioning and maintenance of sewerage systems	56.00	56.00
Bumi Suria Ventures Sdn. Bhd.	Cultivation of oil palms	51.43	51.43
Weida (B) Sdn. Bhd. ^	Trading of HDPE products	99.99	99.99
Weida Properties Sdn. Bhd. ("WPSB")	Investment holding	100.00	-
Subsidiary of WII			
Greenyard Corporation Sdn. Bhd.	Letting of investment property	100.00	100.00
Subsidiary of WISB			
Weida Philippines Inc. ^	Manufacture and sale of HDPE products	99.99	99.99
Subsidiaries of WPSB			
Loyal Paragon Sdn. Bhd.	Property development	100.00	-
Good Axis Sdn. Bhd.	Dormant	100.00	-
Subsidiaries of WET			
Sar-Alam Indah Sdn. Bhd.	Provision of treatment and disposal of sludge services	32.48	32.48
Renexus-Weida Sdn. Bhd.	Construction and installation of sewerage and water treatment plants	44.24	44.24
UTIC Services Sdn. Bhd. ("USSB")	Provision of underground mapping of buried utilities, closed circuit television survey and investigation and rehabilitation of underground sewer and pipeline networks and storm water culverts	38.02	38.02
LIPP Biogas (Malaysia) Sdn. Bhd.	Designing and constructing waste treatment and biogas plants	44.80	44.80
Weida Water (ADRA) Sdn. Bhd. ("WWASB")	Dormant	- ^^	28.56

6. Investment in subsidiaries (continued)

Subsidiary	Principal activities	Effective ownership interest (%) 2012	2011
Subsidiaries of WET (continued)			
Weidasar Engineering Sdn. Bhd. ("WESB")	Construction and installation of sewerage treatment plants and bulk storage tanks	35.84	35.84
Hydro Solutions Sdn. Bhd.	Building, construction and installation of hydro systems	56.00	56.00
Subsidiary of USSB			
UTIC Industries Sdn. Bhd.	Manufacture and trading of synthetic and composite liners for sewerage, waterpipe application and pipeline rehabilitation	38.02	38.02

Accounted for using the merger method as these entities and the Company were under common control at the time of combination.

^ *Audited by other member firms of KPMG International.*

^^ *WWASB has been struck off during the current financial year.*

@ *WOGSB had on 30 April 2012 held an Extraordinary General Meeting and resolved that WOGSB be wound-up voluntarily pursuant to Section 254 of the Companies Act, 1965.*

7. Investment in an associate

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Unquoted shares, at cost	40	-	40	-
Share of post acquisition reserves	(40)	-	-	-
	-	-	40	-

The associate is incorporated in Malaysia and its financial information, presented in gross terms, are as follows:

2012	Effective ownership interest %	Revenue (100%) RM	Loss after tax (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
Asaljuru Weida Sdn. Bhd.	40	-	(3,985)	100	3,985

8. Goodwill - Group

	Goodwill with finite useful lives RM	Goodwill with indefinite useful lives RM	Total RM
Cost			
At 1 April 2010, 31 March 2011/1 April 2011 and 31 March 2012	2,635,286	1,423,781	4,059,067
Amortisation/Impairment loss			
At 1 April 2010			
- Accumulated amortisation	1,216,710	-	1,216,710
Amortisation for the financial year (Note 20)	322,622	-	322,622
At 31 March 2011/1 April 2011			
- Accumulated amortisation	1,539,332	-	1,539,332
Amortisation for the financial year (Note 20)	430,338	-	430,338
Impairment loss (Note 20)	-	1,349,953	1,349,953
At 31 March 2012			
- Accumulated amortisation	1,969,670	-	1,969,670
- Accumulated impairment loss	-	1,349,953	1,349,953
	1,969,670	1,349,953	3,319,623
Carrying amounts			
At 1 April 2010	1,418,576	1,423,781	2,842,357
At 31 March 2011/1 April 2011	1,095,954	1,423,781	2,519,735
At 31 March 2012	665,616	73,828	739,444

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the cash generating units ("CGUs") acquired at which the goodwill is monitored for internal management purposes.

8. Goodwill - Group (continued)

Impairment testing for cash-generating units containing goodwill (continued)

The aggregate carrying amounts of goodwill allocated to the CGUs are as follows:

	Group	
	2012 RM	**2011 RM**
With finite useful lives		
CGU 1	624,864	666,522
Other CGU	40,752	429,432
	665,616	1,095,954
With indefinite useful lives		
CGU 2	-	1,349,953
Other CGU	73,828	73,828
	73,828	1,423,781
Total	739,444	2,519,735

The recoverable amounts of the above CGUs were based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management. Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the CGUs and was based on the following key assumptions:

CGU 1 - Assumptions

a) Services rendered are projected to remain at the same level as 2012. The rate of service charges will be revised upwards by 10% once every five years in accordance with the service contracts.

b) Expenses are projected to increase at 3% (2011: 3%) per annum.

c) The projections are for five (2011: five) financial years from 2013 to 2017 (2011: 2012 to 2016).

d) The discount rate used to determine the projected cash flows is 6% (2011: 6%) per annum.

e) Collections from trade receivables and settlement of trade payables will be made in accordance with the current credit arrangements and policies.

f) Capital expenditure on property, plant and equipment will be incurred on schedule.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on historical data from both external sources and internal sources.

8. Goodwill - Group (continued)

Sensitivity to changes in assumptions

The above estimates are particularly sensitive to fluctuations of the rate of service charges and operational costs. With a 5% and 10% variation in the projected services charges and operational costs respectively, the projections show that the recoverable amount of CGU 1 would still exceed the allocated goodwill.

Impairment loss on CGU 2

Impairment loss has been provided in full against the carrying amount of CGU2 as management does not foresee any cash flows from the CGU in future.

Other CGU with indefinite useful life

No impairment testing is done on this CGU which is considered immaterial to the Group.

9. Other intangible assets - Group

	Intellectual property licences RM	**Rights to share rental proceeds of telecom-munication towers RM**	**Total RM**
Cost			
At 1 April 2010	450,500	65,478,361	65,928,861
Additions	-	2,260,000	2,260,000
Disposals	-	(12,743,297)	(12,743,297)
At 31 March 2011/1 April 2011	450,500	54,995,064	55,445,564
Additions	926,904	-	926,904
At 31 March 2012	1,377,404	54,995,064	56,372,468
Amortisation			
At 1 April 2010	112,625	5,743,407	5,856,032
Amortisation for the financial year	90,100	4,555,182	4,645,282
Disposals	-	(1,034,730)	(1,034,730)
At 31 March 2011/1 April 2011	202,725	9,263,859	9,466,584
Amortisation for the financial year	175,383	3,874,671	4,050,054
At 31 March 2012	378,108	13,138,530	13,516,638

9. Other intangible assets - Group (continued)

	Intellectual property licences RM	Rights to share rental proceeds of telecom-munication towers RM	Total RM
Carrying amounts			
At 1 April 2010	337,875	59,734,954	60,072,829
At 31 March 2011/1 April 2011	247,775	45,731,205	45,978,980
At 31 March 2012	999,296	41,856,534	42,855,830

9.1 Other intangible assets comprise:

- ***Intellectual property licences***

  The exclusive licences acquired allow the Group:

  (i) to use and exploit for a period of five (5) years certain technical information relating to the operation of specialised equipment within South East Asia.

  (ii) to have access to secret technical and commercial information related to the manufacture and use of LIPP tanks and Biogas plants within Malaysia for a period of fifteen (15) years.

- ***Rights to share rental proceeds of telecommunication towers***

  This arises from the construction of telecommunication towers for a network facility provider licence holder ("NFPLH") in prior years as payments for the contract claims arising from the construction works carried out, the NFPLH and a subsidiary share the rental proceeds from the leasing of the telecommunication towers in pre-determined ratios for a period of ten years commencing from the month when the rental proceeds are first received.

9.2 Allocation of amortisation

Amortisation for the financial year is allocated as follows:

	Group 2012 RM	2011 RM
Recognised in profit or loss (Note 20)	3,936,615	4,555,182
Capitalised into contract costs (Note 10.2)	113,439	90,100
	4,050,054	4,645,282

10. Trade and other receivables

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-current				
Non-trade				
Other receivable (Note 10.1)	18,036,029	16,686,833	-	-
Subsidiaries	-	-	38,691,273	106,243,623
Less: Allowance for impairment loss	-	-	(2,610,000)	(2,000,000)
	-	-	36,081,273	104,243,623
Non-current total	18,036,029	16,686,833	36,081,273	104,243,623
Current				
Trade				
Trade receivables	148,644,858	74,094,044	-	-
Less: Allowance for impairment loss	(7,358,375)	(4,119,866)	-	-
	141,286,483	69,974,178	-	-
Amount due from contract customers (Note 10.2)	14,206,771	26,590,914	-	-
Less: Allowance for impairment loss	-	(254,544)	-	-
	14,206,771	26,336,370	-	-
	155,493,254	96,310,548	-	-
Non-trade				
Other receivables	11,143,987	1,681,807	5,865,580	35,359
Less: Allowance for impairment loss	(1,000,000)	(10,977)	-	-
	10,143,987	1,670,830	5,865,580	35,359

NOTES TO THE FINANCIAL STATEMENTS

10. Trade and other receivables (continued)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current (continued)				
Non-trade (continued)				
Subsidiaries	-	-	12,500,854	3,323,398
Less: Allowance for impairment loss	-	-	(100,962)	(1,088,398)
	-	-	12,399,892	2,235,000
Financial assets at fair value through profit or loss - forward foreign currency contracts	-	12,378	-	-
	10,143,987	1,683,208	18,265,472	2,270,359
Current total	165,637,241	97,993,756	18,265,472	2,270,359
Grand total	183,673,270	114,680,589	54,346,745	106,513,982

10.1 The non-current portion of other receivable represents an amount due from a former associate of the Group. The amount is secured by a first fixed and floating charge over the former associate's assets and bears fixed interest at 6.00% (2011: 6.00%) per annum. The amount is not subject to a fixed term of repayment but is repayable in full by December 2017.

10.2 Amount due from/to contract customers

	Group	
	2012 RM	2011 RM
Value of works performed to-date	369,498,253	329,935,735
Progress billings	(368,729,789)	(330,298,345)
	768,464	(362,610)
Amount due to contract customers reclassified to trade and other payables (Note 18)	13,438,307	26,953,524
Amount due from contract customers	14,206,771	26,590,914

10. Trade and other receivables (continued)

10.2 Amount due from/to contract customers (continued)

Additions to the value of works performed to-date include:

	Group	
	2012 RM	2011 RM
Amortisation of intangible asset (Note 9.2)	113,439	90,100
Depreciation of property, plant and equipment (Note 3.6)	1,705,971	998,767
Personnel expenses		
- contributions to state plans	343,416	165,298
- wages, salaries and others	7,126,291	10,151,252
Property, plant and equipment written off	52,893	-
Rental of equipment and vehicles	1,381,868	835,856
Rental of premises	505,346	606,844
Unrealised foreign exchange gain	-	(1,721)

10.3 Assessment of impairment loss on receivables

The main collectability risk of trade receivables is customer insolvencies. Management determines allowance for impairment loss on doubtful receivables based on an on-going review and evaluation performed as part of its credit risk evaluation process. These include assessment of customers' past payment records, financial standing and the age of receivables. The evaluation is however inherently judgmental and requires material estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to significant changes.

Included in trade receivables is a gross amount of RM32,662,696 (2011: RM33,691,305), of which RM30,346,429 (2011: RM32,189,148) are gross retention sums, receivable from the Government of Syrian Arab Republic in respect of sewerage and water treatment plants constructed by a subsidiary.

During the financial year ended 31 March 2012, an impairment loss of RM3,921,467 (2011: Nil) has been provided against these retention sums in view of the escalating political unrest in Syrian Arab Republic. The quantum of impairment loss was estimated premised on a delay in the receipt of the retention sums by two (2) years as well as taking into account the advance payment received from and the amount due to contract customer attributable to the Government of Syrian Arab Republic totalling some RM15.3 million. The impairment loss is recognised in profit or loss and measured as the difference between the carrying amount of the retentions sums and the present value of estimated future cash flows discounted at 15% per annum. The discount rate was determined based on management's best judgment of the on-going risks involved, including country risk premium (i.e. political and economic risks).

10. Trade and other receivables (continued)

10.3 Assessment of impairment loss on receivables (continued)

The quantum of impairment loss to be provided on the retention sums receivable is particularly sensitive to the following factors:

1. an increase in the discount rate used by 5% per annum from 15% per annum to 20% per annum would have increased the impairment loss by RM891,000; and

2. a further delay in the receipt of the retention sums by another two (2) years would have increased the impairment loss by RM1,459,000 respectively.

The combined and compounded effect of the above two factors is a further impairment loss by RM2,452,000.

Despite the political unrest in Syrian Arab Republic, the subsidiary still continues with the construction works in the country and has managed subsequent to 31 March 2012 to recover additional sums of Euro1,949,141 (equivalent to RM7,968,000) which include RM224,000 for progress claims rendered after the financial year end from the Government of Syrian Arab Republic. After taking account the receipts subsequent to 31 March 2012, the impairment loss that has been provided, the advance payment received from and the amount due to contract customer attributable to the Government of Syrian Arab Republic, the net exposure to the Group is about RM5.7 million should there be no further payments from the Government of Syrian Arab Republic.

The fluidity of the political situation in Syrian Arab Republic however makes it difficult to assess with certainty if the retention sums will be paid or if there will be a delay in the receipt thereof beyond the timeframe anticipated by the Directors of the Company should there be a change in the government in Syrian Arab Republic. Accordingly, the adequacy of or the need for the allowance for impairment loss provided on the retention sums will have to be reassessed in future based on the information then available.

10.4 Included in trade receivables of the Group are retention sums of RM30,517,213 (2011: RM34,607,112) relating to construction work-in-progress and which include the retention sums disclosed in Note 10.3 above.

The retention sums are unsecured, interest free and are expected to be collected as follows:

	Group	
	2012	**2011**
	RM	**RM**
Within 1 year	3,232,086	26,048,984
1 - 2 years	23,762,215	7,895,859
2 - 3 years	7,444,379	662,269
	34,438,680	34,607,112
Less: Allowance for impairment loss	(3,921,467)	-
	30,517,213	34,607,112

10.5 Included in amount due from subsidiaries is a sum of RM45,705,099 (2011: RM103,092,020) which bears interest at 5.00% (2011: 5.00%) per annum.

11. Other investments

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-current				
Available-for-sale financial assets				
- quoted shares in Malaysia	1,130,473	116,621	1,130,473	15,821
- unquoted shares	322,000	322,000	-	-
	1,452,473	438,621	1,130,473	15,821
Representing items:				
- At cost/amortised cost	322,000	322,000	-	-
- At fair value	1,130,473	116,621	1,130,473	15,821
Market value of quoted shares (Note 28.4)	1,130,473	116,621	1,130,473	15,821

12. Deferred tax

Recognised deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM
Property, plant and equipment	-	-	(15,962,300)	(13,836,800)	(15,962,300)	(13,836,800)
Oil palm plantation development expenditure	-	-	(7,765,000)	-	(7,765,000)	-
Intangible assets	574,768	-	-	(2,630,712)	574,768	(2,630,712)
Revaluation reserves	-	-	(2,792,000)	(3,051,000)	(2,792,000)	(3,051,000)
Capital allowance carry-forwards	8,586,000	1,800	-	-	8,586,000	1,800
Tax loss carry-forwards	5,257,000	148,000	-	-	5,257,000	148,000
Financial instruments	11,000	-	-	(301,000)	11,000	(301,000)
Tax assets/(liabilities)	14,428,768	149,800	(26,519,300)	(19,819,512)	(12,090,532)	(19,669,712)
Set off of tax	(10,888,000)	(16,800)	10,888,000	16,800	-	-
Net tax assets/(liabilities)	3,540,768	133,000	(15,631,300)	(19,802,712)	(12,090,532)	(19,669,712)

NOTES TO THE FINANCIAL STATEMENTS

12. Deferred tax (continued)

Recognised deferred tax (continued)

Movements in deferred tax during the financial year are as follows:

Group	**At 1.4.2010 RM**	**Effect of adopting FRS 139 RM**	**Recognised in profit or loss RM**	**At 31.3.2011/ 1.4.2011 RM**	**Recognised in profit or loss RM**	**Capitalised plantation expenditure RM**	**At 31.3.2012 RM**
Property, plant and equipment	(13,076,800)	-	(760,000)	(13,836,800)	(2,125,500)	-	(15,962,300)
Oil palm plantation development expenditure	-	-	-	-	(7,765,000)	-	(7,765,000)
Intangible assets	(4,165,522)	-	1,534,810	(2,630,712)	3,205,480	-	574,768
Revaluation reserves	(3,358,000)	-	307,000	(3,051,000)	259,000	-	(2,792,000)
Capital allowance carry-forwards	365,800	-	(364,000)	1,800	8,584,200	-	8,586,000
Impairment loss on receivables	46,000	-	(46,000)	-	-	-	-
Tax loss carry-forwards	-	-	148,000	148,000	5,109,000	-	5,257,000
Financial instruments	-	(11,000)	(290,000)	(301,000)	419,000	(107,000)	11,000
	(20,188,522)	(11,000)	529,810	(19,669,712)	7,686,180	(107,000)	(12,090,532)
			(Note 23)		(Note 23)		

Company							
Property, plant and equipment	(96,000)	-	96,000	-	-	-	-
Revaluation reserves	(70,000)	-	70,000	-	-	-	-
	(166,000)	-	166,000	-	-	-	-
			(Note 23)		(Note 23)		

Deferred tax assets of RM2,996,000 has been recognised during the current financial year after certain blocks of the oil palm plantations of a subsidiary have been declared mature. Management re-estimated the future cash flows from the subsidiary's oil palm plantation, taking cognizance of current crude palm oil prices as well as operating expenditure and considered it probable that future taxable profits will be available against which the deferred tax benefits can be utilised.

12. Deferred tax (continued)

Unrecognised deferred tax assets

Deferred tax assets of RM2,146,000 (2011: RM4,409,000) and RM531,000 (2011: RM412,000) respectively have not been recognised in respect of the following temporary differences because it is not certain if future taxable profits will be available against which the affected group entities can utilise the benefits therefrom:

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Property, plant and equipment	(4,887,000)	(13,356,000)	(1,328,000)	(784,000)
Oil palm plantation development expenditure	-	(20,425,000)	-	-
Capital allowance carry-forwards	10,043,000	31,310,000	3,438,000	2,695,000
Tax loss carry-forwards	3,428,000	20,380,000	13,000	13,000
Revaluation reserve	-	(275,000)	-	(275,000)
	8,584,000	17,634,000	2,123,000	1,649,000

The unabsorbed capital allowance carry-forwards and unutilised tax loss carry-forwards of entities incorporated in Malaysia amounting to RM10,186,000 (2011: RM47,326,000) do not expire under the current Malaysian tax legislation except that in the case of a dormant company, such allowances and losses will not be available to the company if there is a substantial change of 50% or more in the shareholdings thereof.

The unutilised tax loss carry-forwards of a foreign subsidiary amounting to RM3,285,000 (2011: RM4,344,000) can be claimed as a deduction against future taxable income within three years of the incurrence of such losses.

13. Inventories

	Group	
	2012 RM	**2011 RM**
At cost:		
Raw materials and consumables	16,310,526	24,624,455
Manufactured/Trading inventories	21,024,264	18,464,953
Oil palm nursery inventories	711,667	963,219
Construction materials	1,097,574	553,812
	39,144,031	44,606,439
At net realisable value:		
Manufactured/Trading inventories	658,298	700,700
Construction materials	180,351	1,926,041
	838,649	2,626,741
Total	39,982,680	47,233,180

14. Deposits and prepayments

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Deposits	10,273,416	10,128,444	460,698	176,146
Prepayments	2,595,885	5,446,324	28,041	88,618
	12,869,301	15,574,768	488,739	264,764

Deposits and prepayments of the Group include an amount of RM8,938,818 (2011: RM8,742,476) paid for the purchase of construction materials, machinery and equipment. The amount will be progressively deducted against physical goods delivered.

15. Cash and bank balances

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Deposits placed with licensed banks with maturities less than three months	40,388,879	18,635,762	33,841,459	9,215,762
Cash in hand and at banks	11,805,295	9,658,313	(476,017)	263,098
Total cash and cash equivalents	52,194,174	28,294,075	33,365,442	9,478,860
Deposits pledged with licensed banks	2,788,061	9,646,075	-	-
Total cash and bank balances	54,982,235	37,940,150	33,365,442	9,478,860

Deposits of RM2,788,061 (2011: RM9,646,075) are charged to licensed banks as security for banking facilities granted to certain subsidiaries (see Note 17.2).

The credit bank balance of the Company arises as a result of certain cheques issued for payments but not cleared at the financial year end.

16. Capital and reserves

16.1 Share capital

	Group and Company			
	2012		2011	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares of RM0.50 each				
Authorised:				
Opening and closing balances	100,000,000	200,000,000	100,000,000	200,000,000
Issued and fully paid:				
Opening and closing balances	66,666,666	133,333,332	66,666,666	133,333,332

16.2 Reserves

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Revaluation reserve	10,232,979	10,690,250	-	207,335
Merger deficit	(16,833,045)	(16,833,045)	-	-
Foreign exchange translation reserve	(869,053)	(395,432)	-	-
Retained earnings	149,001,441	127,142,691	14,357,664	4,990,697
Treasury shares	(4,598,967)	(4,598,684)	(4,598,967)	(4,598,684)
Fair value reserve	(125,772)	-	(125,772)	-
	136,807,583	116,005,780	9,632,925	599,348

The movements in each category of reserves are disclosed in the statements of changes in equity.

Foreign exchange translation reserve - Group

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the group entities with functional currencies other than RM.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets categorised as available-for-sale until the assets are derecognised or impaired.

16. Capital and reserves (continued)

16.2 Reserves (continued)

Revaluation reserve

This comprises surplus from the revaluation of freehold land, buildings and leasehold land (see Note 3). The surplus arising from the revaluation is released to retained earnings over the remaining estimated useful lives of the revalued assets.

Treasury shares

The shareholders of the Company, at the Annual General Meeting held on 27 September 2011, renewed the mandate for the Company to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the current financial year, the Company purchased 200 (2011: 200) of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.42 (2011: RM1.22) per share. The shares repurchased are retained as treasury shares. The total consideration paid was RM283 (2011: RM243) including transaction cost of RM82 (2011: RM82). The repurchase transactions were financed by internally generated funds.

The total number of shares repurchased as at 31 March 2012 is 6,438,100 (2011: 6,437,900).

Retained earnings - Section 108 tax credit

Subject to agreement with the Inland Revenue Board, the Company has sufficient Section 108 tax credit to distribute all of its retained earnings as franked dividends. Nevertheless, the Company may elect for early migration to the single-tier company income taxation system enacted via the Finance Act 2007, under which retained earnings are distributable as exempt dividends.

The single-tier system, which is effective from 1 January 2008, allows for a transitional period of six years. Unless the Company elects for early migration to the system, the Section 108 tax credit will be available to the Company until such time the credit is fully utilised or upon the expiry of the transitional period on 31 December 2013, whichever is earlier.

17. Loans and borrowings

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Non-current				
Finance lease liabilities	4,986,166	4,977,692	455,118	514,648
Term loans				
- Unsecured	28,612,635	22,578,948	28,612,635	22,578,948
- Secured	48,750,000	20,300,000	-	-
Unsecured Islamic bonds	-	30,000,000	-	30,000,000
Non-current total	82,348,801	77,856,640	29,067,753	53,093,596

17. Loans and borrowings (continued)

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current				
Finance lease liabilities	2,537,536	1,935,284	59,530	55,862
Unsecured bankers' acceptances	57,974,000	37,738,000	-	-
Unsecured term loan	24,695,461	6,157,895	10,729,738	6,157,895
Unsecured Islamic bonds	25,000,000	-	25,000,000	-
Unsecured revolving credits	5,000,000	-	-	-
Bank overdrafts				
- Secured	524,250	-	-	-
- Unsecured	595,662	-	-	-
Current total	116,326,909	45,831,179	35,789,268	6,213,757
Total	198,675,710	123,687,819	64,857,021	59,307,353

17.1 Finance lease liabilities

Finance lease liabilities are payable as follows:

	2012 Future minimum lease payments RM	2012 Interest RM	2012 Present value of minimum lease payments RM	2011 Future minimum lease payments RM	2011 Interest RM	2011 Present value of minimum lease payments RM
Group						
Less than one year	2,917,856	380,320	2,537,536	2,307,419	372,135	1,935,284
Between one and five years	5,206,378	400,548	4,805,830	5,155,066	452,560	4,702,506
More than five years	189,961	9,625	180,336	295,938	20,752	275,186
	8,314,195	790,493	7,523,702	7,758,423	845,447	6,912,976
Company						
Less than one year	84,432	24,902	59,530	84,432	28,570	55,862
Between one and five years	337,728	62,946	274,782	337,728	77,612	260,116
More than five years	189,961	9,625	180,336	274,393	19,861	254,532
	612,121	97,473	514,648	696,553	126,043	570,510

NOTES TO THE FINANCIAL STATEMENTS

17. Loans and borrowings (continued)

17.2 Security

Company

The revolving credits, which are not utilised at the financial year end, are secured by a foreign operation's assignment of contract proceeds or irrevocable payment instruction (at the sole discretion of lender bank), a charge over its project escrow accounts and establishment of a sinking fund account.

Subsidiaries

The bankers' acceptances, bank overdraft and bank guarantees facilities of certain direct and indirect subsidiaries are covered by a negative pledge over their present and future assets and supported by a corporate guarantee of the Company.

The term loan and a secured bank overdraft granted to a direct subsidiary is secured by way of:
- a fixed charge over certain leasehold land of the Group (see Note 3.4), and
- corporate guarantee from the Company.

The finance lease liabilities are secured on the respective finance lease assets of the Group and of the Company. The outstanding finance lease liabilities of RM5,960,964 (2011: RM5,710,626) granted to certain subsidiaries are guaranteed by the Company.

A banking facility comprising bank guarantee and bank overdraft facilities granted to an indirect subsidiary is secured by:

- pledge over cash equivalents (see Note 15).
- assignment of contract proceeds of the subsidiary.
- corporate guarantee from the Company.
- joint and several guarantees of certain directors of the subsidiary.
- a negative pledge over the present and future assets of the subsidiary.

The revolving credits facility granted to a subsidiary during the current financial year is covered by a corporate guarantee from the Company.

17.3 Significant covenants for borrowings

The Group is required to maintain the following financial ratios throughout the tenure of the facilities:

Islamic Bonds	- gearing ratio not exceeding 1.50 times; and - finance service cover ratio of not less than 1.50 times
Term loan	- gearing ratio not exceeding 1.50 times

18. Trade and other payables

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade				
Trade payables	45,790,647	37,326,502	-	-
Amount due to contract customers (Note 10.2)	13,438,307	26,953,524	-	-
	59,228,954	64,280,026	-	-
Non trade				
Subsidiaries	-	-	61,012,060	36,552,304
Advance payments from contract customers	8,032,851	13,827,154	-	-
Accrued expenses	38,897,385	26,582,311	3,449,653	3,179,104
Other payables	2,057,141	2,091,113	243,615	134,977
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	937	139,408	-	-
	48,988,314	42,639,986	64,705,328	39,866,385
Total	108,217,268	106,920,012	64,705,328	39,866,385

18.1 Trade payables of the Group include retention sums of RM4,422,594 (2011: RM2,434,477).

18.2 The amount due to subsidiaries is unsecured and bears interest at 5.00% (2011: 5.00%) per annum.

18.3 Included in advance payments from contract customers is an amount of RM4,533,143 (2011: RM6,951,259) received from the Government of Syrian Arab Republic in respect of sewerage and water treatment plants constructed by a subsidiary.

19. Revenue

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Contract revenue	131,538,231	132,060,142	-	-
Sale of goods	140,285,847	115,976,766	-	-
Sale of oil palm fresh fruit bunches	173,633	-	-	-
Services rendered	27,393,318	27,516,909	-	-
Share of rental proceeds from telecommunication towers	10,290,845	10,352,251	-	-
Dividend income from:				
- subsidiaries (unquoted in Malaysia)	-	-	8,089,000	7,000,000
- quoted investments	-	-	42,065	1,100
Management fee income	-	-	12,733,200	9,814,928
	309,681,874	285,906,068	20,864,265	16,816,028

NOTES TO THE FINANCIAL STATEMENTS

20. Profit before tax

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Audit fees				
- KPMG Malaysia	322,000	258,000	45,000	45,000
- Overseas affiliates of KPMG Malaysia	31,988	72,328	-	-
- Non-audit fees				
- KPMG Malaysia	68,000	46,000	68,000	42,000
- Local affiliates of KPMG Malaysia	129,700	102,216	45,000	10,000
Allowance for impairment loss on receivables	5,320,933	488,075	610,000	2,356,199
Amortisation of:				
- other intangible assets (Note 9.2)	3,936,615	4,555,182	-	-
- goodwill (Note 8)	430,338	322,622	-	-
- prepaid lease payments (Note 4)	119,136	119,136	-	-
- oil palm plantation development expenditure (Note 5)	115,539	-	-	-
Bad debts written off	-	-	6,146	-
Depreciation of property, plant and equipment (Note 3.6)	8,882,310	7,635,075	804,345	607,881
Derivative loss on forward foreign currency contracts	-	47,886	-	-
Impairment loss on:				
- goodwill (Note 8)	1,349,953	-	-	-
- investment in subsidiary	-	-	-	611,718
Loss on disposal of property, plant and equipment	-	-	-	2,071
Property, plant and equipment written off	76,249	94,381	-	-
Rental of premises and equipment	1,490,359	1,644,748	966,384	648,146
Rental of land	849,040	844,850	-	-
Foreign exchange loss				
- realised	-	194,226	6,397	-
- unrealised	-	489,650	-	-

20. Profit before tax (continued)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit before tax is arrived at after crediting:				
Bad receivables recovered	-	292,002	-	-
Derivatives gain on forward foreign currency contracts	27,212	-	-	-
Dividend income from:				
- subsidiaries (unquoted in Malaysia)	-	-	8,089,000	7,000,000
- quoted investments	47,465	1,100	42,065	1,100
Gain on disposal of:				
- property, plant and equipment	3,198,649	38,748	2,584,137	-
- other investments	144,532	805	110,515	805
- intangible assets	-	6,616,762	-	-
Income from rental of furnished premises	85,800	87,417	1,471,892	1,349,450
Foreign exchange gain:				
- realised	406,708	-	-	-
- unrealised	139,989	-	-	-
Hire of equipment	-	2,584	27,235	11,180
Reversal of:				
- allowance for impairment loss on receivables	550,464	677,948	-	-
- allowance for impairment loss on investment in subsidiaries (Note 6)	-	-	5,222,402	-

Employee benefits disclosed in profit or loss include:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Contributions to state plans	3,077,154	2,024,946	836,279	634,808

21. Finance income and costs

Recognised in profit or loss

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Finance income				
- interest income from term deposits	846,961	492,209	448,972	127,525
- interest income from debentures	934,999	585,727	-	-
- interest income from other financial assets	666,148	1,578,885	395,510	403,980
- interest income from subsidiaries	-	-	3,675,026	4,420,014
	2,448,108	2,656,821	4,519,508	4,951,519

21. Finance income and costs (continued)

Recognised in profit or loss (continued)

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Finance costs				
- interest expense from loans and borrowings	4,722,872	2,081,113	3,281,796	1,456,196
- interest expense from other financial liabilities	320,355	554,944	-	-
- interest charged by subsidiaries	-	-	1,954,580	2,253,558
	5,043,227	2,636,057	5,236,376	3,709,754

22. Compensations to key management personnel

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

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Directors of the Company				
- Fees	345,933	328,500	309,933	300,000
- Other short-term employee benefits	4,788,740	3,077,500	2,977,020	2,167,500
	5,134,673	3,406,000	3,286,953	2,467,500
Other key management personnel				
- Fees	246,782	265,000	-	-
- Other short-term employee benefits	7,828,237	7,490,595	2,014,138	1,840,918
- Benefits-in-kind	680	800	-	-
	8,075,699	7,756,395	2,014,138	1,840,918
Total	13,210,372	11,162,395	5,301,091	4,308,418

Other key management personnel comprise persons, other than the Directors, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

23. Income tax expense

Recognised in profit or loss

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current tax expense				
Malaysian				
- current year	11,587,590	11,929,379	1,230,000	2,194,000
- prior years	(1,172,203)	(1,038,002)	(259,913)	(239,581)
	10,415,387	10,891,377	970,087	1,954,419
Deferred tax income (Note 12)				
- current year	(7,034,721)	(478,810)	-	-
- prior years	(651,459)	(51,000)	-	(166,000)
	(7,686,180)	(529,810)	-	(166,000)
Total income tax expense	2,729,207	10,361,567	970,087	1,788,419

Reconciliation of income tax expense

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit for the financial year	27,403,900	24,184,320	12,966,492	2,079,122
Total income tax expense	2,729,207	10,361,567	970,087	1,788,419
Profit excluding tax	30,133,107	34,545,887	13,936,579	3,867,541

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Income tax calculated using Malaysian tax rate of 25% (2011: 25%)	7,533,000	8,636,000	3,484,000	967,000
Effect of different tax rates in foreign jurisdictions	(41,000)	(69,700)	-	-
Income of foreign source not subject to Malaysian tax	(262,800)	(630,000)	-	-
Non-deductible expenses/(Non-taxable income)	1,310,669	3,062,269	(2,304,000)	822,000
Depreciation and amortisation expenses capitalised into oil palm plantation development expenditure	(651,000)	(584,000)	-	-
Utilisation of reinvestment allowance	(745,000)	(651,000)	-	-
Reversal of deferred tax liability on realisation of revaluation reserve of assets	(328,000)	(307,000)	(69,000)	(1,000)
Movements in unrecognised deferred tax assets	(2,263,000)	1,994,000	119,000	406,000
	4,552,869	11,450,569	1,230,000	2,194,000
Over-provision in prior years	(1,823,662)	(1,089,002)	(259,913)	(405,581)
Total income tax expense	2,729,207	10,361,567	970,087	1,788,419

NOTES TO THE FINANCIAL STATEMENTS

24. Earnings per ordinary share - Group

Basic/Diluted earnings per ordinary share

The calculation of basic/diluted earnings per ordinary share was based on the profit attributable to ordinary shareholders of RM25,208,339 (2011: RM21,835,022) and the weighted average number of ordinary shares outstanding of 126,895,299 (2011: 126,895,499).

Weighted average number of ordinary shares

	2012	2011
Issued ordinary shares at beginning of financial year (Note 16)	133,333,332	133,333,332
Less: Cumulative effect of treasury shares bought back in previous financial years	(6,437,900)	(6,437,700)
	126,895,432	126,895,632
Effect of ordinary shares repurchased during the financial year	(133)	(133)
Weighted average number of ordinary shares outstanding at end of financial year	126,895,299	126,895,499

25. Dividends

25.1 Dividends per ordinary share

The dividends per ordinary share as disclosed below relates to the total dividends declared or proposed for the financial year.

	Company 2012	2011
Gross dividend per share (sen)	4.00	4.00

25.2 Dividends expense

Total dividends recognised in the statements of changes in equity comprise:

2012	Sen per share (net of tax)	Total amount RM	Date of payment
Final 2011 ordinary	3.00	3,806,860	22 November 2011
2011			
Final 2010 ordinary	3.00	3,806,866	23 November 2010

After the end of the reporting period, the Directors have proposed a first and final dividend of 4.00 sen per ordinary share less tax at 25% totalling RM3,806,854 (equivalent to 3.00 sen net per ordinary share) in respect of the financial year ended 31 March 2012. The dividend will be paid upon approval by shareholders at the forthcoming Annual General Meeting and recognised in subsequent financial reports.

26. Capital expenditure commitments

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Property, plant and equipment and oil palm plantation development expenditure				
Within one year				
- Authorised but not contracted for	46,424,000	50,523,000	648,000	35,000
- Contracted but not provided for	490,000	2,054,000	-	-
	46,914,000	52,577,000	648,000	35,000

27. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Group Managing Director (being the chief operating decision maker), reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- *Manufacturing*
  Manufacture and sale of high density polyethylene engineering ("HDPE") products, reclaimed rubber and trading of other specialised and technical engineering products

- *Works*
  (i) Telecommunication towers
  - Construction of telecommunication towers and share of rental proceeds from telecommunication towers

  (ii) Water, wastewater treatment and other infrastructure
  - Design, construction and installation of water supply, storage infrastructure and treatment systems, wastewater treatment systems, hydro systems and other infrastructure

- *Services*
  Sewerage treatment services, treatment and disposal of sludge services as well as underground mapping of buried utilities, closed circuit television survey and investigation and rehabilitation of underground sewer and pipeline networks and storm water culverts

- *Plantations*
  Cultivation of oil palms and sale of fresh fruit bunches

There are varying levels of integration between the reportable segments. Inter-segment pricing is determined on negotiated terms.

Performance is measured based on segment profit before tax as included in the internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

27. Operating segments (continued)

Segment assets and liabilities

The Group Managing Director reviews the statements of financial position of subsidiaries for decision making and resources allocation, instead of a summary of total consolidated assets and liabilities by segments. As such, information on segment assets and segment liabilities is not presented.

		Works				
2012	**Manufacturing RM**	**Telecom-munication towers RM**	**Water, wastewater treatment and other infrastructure RM**	**Services RM**	**Plantations RM**	**Consolidated RM**
Segment profit						
Revenue from external customers	140,285,847	66,434,464	75,394,612	27,393,318	173,633	309,681,874
Segment profit/(loss) before tax	13,743,719	17,065,394	5,943,673	(513,233)	(2,764,304)	33,475,249
Unallocated corporate expenses						(3,342,102)
Share of results of an associate						(40)
Segment profit before tax						30,133,107
Income tax expense						(2,729,207)
Profit for the financial year						27,403,900
Other comprehensive expenses						(985,346)
Total comprehensive income for the financial year						26,418,554
Non-controlling interests						(1,809,608)
Total comprehensive income for the financial year attributable to owners of the Company						24,608,946

27. Operating segments (continued)

2011	Manufacturing RM	Works: Telecom-munication towers RM	Works: Water, wastewater treatment and other infrastructure RM	Services RM	Plantations RM	Consolidated RM
Segment profit						
Revenue from external customers	115,976,766	38,508,142	103,904,251	27,516,909	-	285,906,068
Segment profit/(loss) before tax	15,193,208	13,741,238	8,988,578	1,470,312	(2,016,815)	37,376,521
Unallocated corporate expenses						(2,830,634)
Segment profit before tax						34,545,887
Income tax expense						(10,361,567)
Profit for the financial year						24,184,320
Other comprehensive income						83,030
Total comprehensive income for the financial year						24,267,350
Non-controlling interests						(2,243,650)
Total comprehensive income for the financial year attributable to owners of the Company						22,023,700

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Malaysia		Middle East		Other Countries		Consolidated	
	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM
Revenue from external customers	293,446,881	248,615,361	11,318,207	33,790,733	4,916,786	3,499,974	309,681,874	285,906,068

27. Operating segments (continued)

Majors customers

The following are major customers with revenue equal to or more than 10 percent of the Group revenue:

	Revenue 2012 RM	Revenue 2011 RM	Segment
Government of Syrian Arab Republic	-	33,790,733	Works - Water, wastewater treatment and other infrastructure
A contract customer in Malaysia	56,139,632	-	Works - Telecommunication towers
A contract customer in Malaysia	-	43,962,888	Works - Water, wastewater treatment and other infrastructure

Save as disclosed, no other counterparties individually contributed to 10% or more of the Group revenue.

28. Financial instruments

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Loans and receivables (L&R);
(ii) Fair value through profit or loss (FVTPL) - designated upon initial recognition;
(iii) Available-for-sale financial assets (AFS); and
(iv) Other financial liabilities measured at amortised cost (OL).

Group	Carrying amount RM	L&R/ (OL) RM	AFS RM	FVTPL RM
Financial assets/(liabilities)				
2012				
Other investments	1,452,473	-	1,452,473	-
Trade and other receivables, including derivatives	183,673,270	183,673,270	-	-
Cash and bank balances	54,982,235	54,982,235	-	-
Loans and borrowings	(198,675,710)	(198,675,710)	-	-
Trade and other payables, including derivatives	(86,746,110)	(86,745,173)	-	(937)

28. Financial instruments (continued)

28.1 Categories of financial instruments (continued)

Group (continued)	**Carrying amount RM**	**L&R/ (OL) RM**	**AFS RM**	**FVTPL RM**
Financial assets/(liabilities) (continued)				
2011				
Other investments	438,621	-	438,621	-
Trade and other receivables, including derivatives	114,680,589	114,668,211	-	12,378
Cash and bank balances	37,940,150	37,940,150	-	-
Loans and borrowings	(123,687,819)	(123,687,819)	-	-
Trade and other payables, including derivatives	(66,139,334)	(65,999,926)	-	(139,408)

Company	**Carrying amount RM**	**L&R/ (OL) RM**	**AFS RM**
Financial assets/(liabilities)			
2012			
Other investments	1,130,473	-	1,130,473
Trade and other receivables	54,346,745	54,346,745	-
Cash and bank balances	33,365,442	33,365,442	-
Loans and borrowings	(64,857,021)	(64,857,021)	-
Trade and other payables	(64,705,328)	(64,705,328)	-
2011			
Other investments	15,821	-	15,821
Trade and other receivables	106,513,982	106,513,982	-
Cash and bank balances	9,478,860	9,478,860	-
Loans and borrowings	(59,307,353)	(59,307,353)	-
Trade and other payables	(39,866,385)	(39,866,385)	-

28. Financial instruments (continued)

28.2 Net gains and losses arising from financial instruments

The table below summarises the net gains and losses arising from financial instruments (other than total interest income and total interest expense for financial assets or financial liabilities that are not at fair value through profit or loss) as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Net gains/(losses) on:				
Financial instruments at FVTPL	27,212	(47,886)	-	-
AFS financial assets	(125,772)	-	(125,772)	-
L&R	666,148	1,578,885	395,510	403,980
OL	(320,355)	(554,944)	-	-
	247,233	976,055	269,738	403,980

28.3 Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk from its use of financial instruments.

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk arises principally from its receivables from customers. A significant portion of these receivables are regular customers of the Group. In addition to receivables from customers, the Company is also exposed to credit risk arising from loans and advances to its subsidiaries and financial guarantees given to banks for credit facilities granted to its subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

- ***Receivables from external parties***

  The Group has a formal credit policy in place mandating the credit worthiness of customers requiring credit on sales of goods and services rendered to be reviewed to ensure the exposure to credit risk is controlled and monitored on an on-going basis by setting appropriate credit limits and terms. For construction projects, credit evaluation on potential customers or clients is carried out prior to tendering. These include assessment of customers' past payment records, sales level and financial standing.

- ***Inter-company balances***

  The Company sometimes provides unsecured loans and advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(a) Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by their carrying amounts in the statements of financial position. Cash and bank balances are only placed with licensed banks.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses ageing analysis to monitor the credit quality of its receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

At the end of the reporting period, there are no significant concentrations of credit risk other than the following:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Amount due from three (2011: three) subsidiaries	-	-	47,708,094	103,467,157
Other receivable due from a former associate of the Group (Note 10.1)	18,036,029	16,686,833	-	-
Trade receivables from:				
- a contract customer in foreign operation (net of impairment loss) [Note 10.3]	28,741,229	33,691,305	-	-
- a contract customer in Malaysia	55,540,806	-	-	-
	102,318,064	50,378,138	47,708,094	103,467,157

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Malaysia	154,117,563	80,218,760	54,346,745	106,513,982
The Philippines	789,126	661,743	-	-
Syrian Arab Republic (net of impairment loss)	28,750,881	33,784,889	-	-
Brunei Darussalam	15,700	2,819	-	-
	183,673,270	114,668,211	54,346,745	106,513,982

Details of the Group's exposure to credit risk on the receivables from Syrian Arab Republic are disclosed in Note 10.3 to the financial statements.

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(a) Credit risk (continued)

Receivables (continued)

Impairment losses

The ageing of receivables (excluding inter-company balances) as at the end of the reporting period was:

Age of debts	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Not past due	146,806,604	82,843,767	5,863,821	30,000
Past due 0-30 days	14,214,173	7,417,174	-	-
Past due 31-60 days	9,577,728	6,319,776	-	-
Past due 61-90 days	7,720,242	2,065,025	-	-
Past due 91-120 days	4,326,279	2,918,966	-	-
Past due more than 120 days	9,386,619	17,488,890	1,759	5,359
	192,031,645	119,053,598	5,865,580	35,359
Less: Allowance for impairment loss	(8,358,375)	(4,385,387)	-	-
Total	183,673,270	114,668,211	5,865,580	35,359

The movements in the allowance for impairment losses of receivables during the financial year were:

	Group RM
At 1 April 2010	4,692,239
Recognised	488,075
Reversals	(677,948)
Write-offs	(116,979)
At 31 March 2011/1 April 2011	4,385,387
Recognised	5,320,933
Reversals	(550,464)
Write-offs	(797,481)
At 31 March 2012	8,358,375

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(a) Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

An allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery is possible, the amount considered irrecoverable is written off against the receivables directly.

Although the Company does not specifically monitor the ageing of the loans and receivables due from subsidiaries, there is no indication the loans and advances are not recoverable as at the end of the reporting period other than that against which an allowance for impairment loss of RM2,710,962 (2011: RM3,088,398) has been made (see Note 10). During the current financial year, a sum of RM987,436 (2011: Nil) has been written off against the allowance for impairment loss made previously.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of certain banking facilities granted to some of its subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made thereby to ensure that they are able to meet their obligations when due.

Exposure to credit risk, credit quality and collateral

The financial guarantees granted to the subsidiaries as at the reporting period are summarised as follows:

	Company	
	2012 RM	**2011 RM**
Loans and borrowings outstanding and recognised in financial statements	132,771,000	63,749,000
Other banking facilities not recognised in financial statements	44,764,000	42,003,000
Total (see Note 30)	177,535,000	105,752,000

As at end of the reporting period, there is no indication that any subsidiaries would default on repayments of its borrowings. The financial guarantees have not been recognised as their fair value on initial recognition was not material and probability of the subsidiaries defaulting on the credit lines is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group monitors and maintains a level of cash and cash equivalents/balances and banking facilities deemed adequate by the management to finance its operations and to mitigate the effects of fluctuation in cash flows.

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group and the Company's financial liabilities (which are non-derivatives) as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
2012							
Trade and other payables	86,745,173	-	86,797,330	80,341,772	2,310,090	3,778,437	367,031
Loans and borrowings							
- Finance lease liabilities	7,523,702	3.81 - 7.51	8,314,195	2,917,856	3,349,770	1,856,608	189,961
- Unsecured Islamic Bonds	25,000,000	4.70	25,000,000	25,000,000	-	-	-
- Unsecured term loan	53,308,096	4.00 - 5.29	57,823,751	27,196,787	11,942,914	18,684,050	-
- Secured term loans	48,750,000	5.96 - 7.85	63,513,411	3,056,100	4,700,123	28,795,044	26,962,144
- Unsecured bankers' acceptances	57,974,000	3.58 - 4.31	57,974,000	57,974,000	-	-	-
- Secured bank overdraft	524,250	8.10	524,250	524,250	-	-	-
- Unsecured bank overdraft	595,662	8.30	595,662	595,662	-	-	-
- Unsecured revolving credits	5,000,000	5.20 - 5.25	5,064,152	5,064,152	-	-	-
	285,420,883		305,606,751	202,670,579	22,302,897	53,114,139	27,519,136
2011							
Trade and other payables	65,999,926	-	66,067,397	61,177,547	2,673,985	2,167,667	48,198
Loans and borrowings							
- Finance lease liabilities	6,912,976	3.81 - 7.51	7,758,423	2,307,419	2,213,787	2,941,279	295,938
- Unsecured Islamic Bonds	30,000,000	4.00	32,104,110	1,200,000	30,904,110	-	-
- Unsecured term loan	28,736,843	4.73	31,965,067	7,383,649	7,092,381	17,489,037	-
- Secured term loan	20,300,000	6.30	31,260,139	1,199,380	6,483,488	13,776,863	9,800,408
- Unsecured bankers' acceptances	37,738,000	3.36 - 3.92	37,738,000	37,738,000	-	-	-
	189,687,745		206,893,136	111,005,995	49,367,751	36,374,846	10,144,544

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
2012							
Other payables	3,693,268	-	3,693,268	3,693,268	-	-	-
Subsidiaries	61,012,060	5.00	61,012,060	46,437,673	10,792,120	3,782,267	-
Loans and borrowings							
- Finance lease liabilities	514,648	5.04	612,121	84,432	84,432	253,296	189,961
- Unsecured Islamic Bonds	25,000,000	4.70	25,000,000	25,000,000	-	-	-
- Unsecured term loan	39,342,373	5.12	43,119,240	12,492,276	11,942,914	18,684,050	-
	129,562,349		133,436,689	87,707,649	22,819,466	22,719,613	189,961
2011							
Other payables	3,314,081	-	3,314,081	3,314,081	-	-	-
Subsidiaries	36,552,304	5.00	36,552,304	22,625,757	12,920,392	1,006,155	-
Loans and borrowings							
- Finance lease liabilities	570,510	5.04	696,553	84,432	84,432	253,296	274,393
- Unsecured Islamic Bonds	30,000,000	4.00	32,104,110	1,200,000	30,904,110	-	-
- Unsecured term loan	28,736,843	4.73	31,965,067	7,383,649	7,092,381	17,489,037	-
	99,173,738		104,632,115	34,607,919	51,001,315	18,748,488	274,393

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices risks that will affect the Group's financial position or cash flows.

(i) Currency risk

The Group is exposed to foreign currency risk arising mainly from sales and purchases denominated in a currency other than the respective functional currencies of Group entities. The major currencies giving rise to this risk are mostly United States Dollar (USD), Euro (EURO), Syrian Pounds (SYP), Australian Dollar (AUD) and Great Britain Pound (GBP).

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Risk management objectives, policies and processes for managing the risk

As it is not possible to predict with any certainty the movements of foreign exchange rates, this risk is managed on an on-going and case by case basis and the Group occasionally uses forward foreign currency contracts to hedge its foreign currency risk. Most of the forward foreign currency contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward foreign currency contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of group entities) risk, based on the carrying amounts as at the end of the reporting period was:

	2012				2011				
	← Denominated in →				← Denominated in →				
Group	USD	SYP	AUD	EURO	USD	SYP	AUD	GBP	EURO
In RM									
Trade and other receivables	-	212,806	-	-	-	347,774	78,858	-	-
Cash and bank balances	417,368	2,026,546	2,767	24,195	54,246	1,178,011	250	-	-
Trade and other payables	(4,342,223)	(3,617,642)	(69,272)	-	(3,764,549)	(1,566,597)	(599,694)	(121,595)	-
Forward foreign currency contracts	6,680	-	-	(7,617)	(13,481)	-	25,859	-	(139,408)
Net exposure in statements of financial position	(3,918,175)	(1,378,290)	(66,505)	16,578	(3,723,784)	(40,812)	(494,727)	(121,595)	(139,408)

The Company does not have any outstanding assets and liabilities denominated in a currency other than its functional currency, RM.

Currency risk sensitivity analysis

The functional currencies of the foreign operations of the Group are Euro, Brunei Dollar and Philippines Peso. The exposure to currency risk of group entities which do not have Euro, Brunei Dollar and Philippines Peso functional currencies is not material and hence, sensitivity analysis is not presented.

A 10% (2011: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Currency risk sensitivity analysis (continued)

Group	Profit or loss 2012 RM	Profit or loss 2011 RM
USD	392,000	372,000
AUD	7,000	49,000
GBP	-	12,000
SYP	139,000	4,000
EURO	(1,700)	14,000

A 10% (2011: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(ii) Interest rate risk

The Group's investments in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group finances its daily operations through a mixture of internally generated funds and bank borrowings. Loans and borrowings with floating interest rate expose the Group to certain elements of risk when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures thereto. The management monitors this on an on-going basis and exercises a certain element of discretion on whether to borrow at fixed or floating interest rates, depending on the market situation and the outlook of the financial market prevailing then.

The investments in interest-earning assets are mainly short-term in nature and they are not held for speculative purpose but have been mostly placed as term deposits and cash funds.

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group and of the Company's significant interest-bearing financial instruments, based on the carrying amounts at the end of the reporting period was:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Fixed rate instruments				
Financial assets	61,212,969	44,968,670	33,841,459	9,215,762
Financial liabilities	(95,497,702)	(74,650,976)	(25,514,648)	(30,570,510)
Floating rate instruments				
Financial assets	-	-	45,705,099	103,092,020
Financial liabilities	(103,178,008)	(49,036,843)	(100,354,433)	(65,289,147)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. As such, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss			
	2012		2011	
	100 bp increase RM	100 bp decrease RM	100 bp increase RM	100 bp decrease RM
Floating rate instruments				
- Group	(1,032,000)	1,032,000	(491,000)	491,000
- Company	(546,000)	546,000	378,000	(378,000)

28. Financial instruments (continued)

28.3 Financial risk management (continued)

(c) Market risk (continued)

(iii) Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on individual basis and all buy and sell decisions are approved by management.

Equity price risk sensitivity analysis

The exposure to equity price risk is not material and hence, sensitivity analysis is not presented.

28.4 Fair value of financial instruments

The carrying amounts of cash and bank balances, short term receivables and payables and short term loans and borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The carrying amount of non-current receivables as well as loans and borrowings, which bear interest at rates approximating the prevailing market rates, also approximates fair value.

The fair values of other financial assets and financial liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2012		2011	
Group	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Other investments				
- Quoted shares in Malaysia	1,130,473	1,130,473	116,621	116,621
Forward foreign currency contracts				
- Assets	-	-	12,378	12,378
- Liabilities	(937)	(937)	(139,408)	(139,408)
Trade and other receivables				
- Non-current	18,036,029	18,036,029	16,686,833	16,686,833
Finance lease liabilities	(7,523,702)	(7,523,702)	(6,912,976)	(6,912,976)
Unsecured Islamic Bonds	(25,000,000)	(25,000,000)	(30,000,000)	(30,000,000)
Secured term loans	(48,750,000)	(48,750,000)	(20,300,000)	(20,300,000)
Unsecured term loans	(53,308,096)	(53,308,096)	(28,736,843)	(28,736,843)

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.4 Fair value of financial instruments (continued)

Company	2012 Carrying amount RM	2012 Fair value RM	2011 Carrying amount RM	2011 Fair value RM
Other investments				
- Quoted shares in Malaysia	1,130,473	1,130,473	15,821	15,821
Finance lease liabilities	(514,648)	(514,648)	(570,510)	(570,510)
Unsecured Islamic Bonds	(25,000,000)	(25,000,000)	(30,000,000)	(30,000,000)
Unsecured term loans	(39,342,373)	(39,342,373)	(28,736,843)	(28,736,843)

The following summarises the method used in determining the fair value of financial instruments reflected in the above table.

- ***Investment in equity securities***

  Fair value of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

  It is not practicable to estimate the fair value of the Group's investment in unquoted shares of RM322,000 (2011: RM322,000) [see Note 11] due to lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs. However, based on the latest management accounts of the investee companies for the financial year ended 31 December 2011, the Group's share of their net assets is RM514,000 (2011: RM506,000).

- ***Derivatives***

  The fair value of forward foreign currency contracts is based on their quoted price, if available. If a quoted market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

- ***Non-derivative financial liabilities***

  Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases, the market rate of interest is determined by reference to similar lease arrangements. For Islamic Bonds, the market rate of interest is based on similar bonds with similar ratings and periods.

28. Financial instruments (continued)

28.5 Fair value hierarchy

Comparative figures have not been presented for 31 March 2011 by virtue of the exemption provided in paragraph 44G of FRS 7.

The table below analyses financial instruments carried at fair value, by valuation method (excluding the unquoted shares mentioned in Note 28.4). The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2012				
Financial assets				
Investment in quoted shares	1,130,473	-	-	1,130,473
Financial liabilities				
Forward foreign currency contracts	-	(937)	-	(937)
Company				
2012				
Financial assets				
Investment in quoted shares	1,130,473	-	-	1,130,473

29. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain the confidence of investors, creditors and other stakeholders in the Group and to sustain the future development of its business. The Directors determine, monitor and maintain an optimal debt-to-equity ratio for the Group that complies with debt covenants and regulatory requirements.

One of its capital management strategies is to maintain a maximum debt-to-equity ratio of 1.5 times and finance service cover ratio of at least 1.5 times, to comply with the covenants of its Islamic Bonds facility failing which the affected facilities and borrowings are subject to recall (see Note 17.3). The interest cover ratio of the Group for the current and previous years being not less than 1.5 times and the debt-to-equity ratio at the financial year end being 0.62 (2011: 0.41), the said covenants have been fulfilled.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement.

30. Contingent liabilities - unsecured

The Directors are of the opinion that provisions are not required in respect of the following corporate guarantees, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Corporate guarantee granted:				
- for banking facilities of certain subsidiaries (Note 28.3)	-	-	177,535,000	105,752,000
Bank guarantee granted:				
- to third parties for performance of projects and/or banking facilities	19,830,000	25,308,000	-	-
	19,830,000	25,308,000	177,535,000	105,752,000

31. Related parties

Identity of related parties

For the purposes of the financial statements, a party is considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Significant related party transactions other than compensations paid to key management personnel (see Note 22) and those disclosed elsewhere in the financial statements, are as follows:

Transactions with subsidiaries

	Company	
	2012 RM	2011 RM
Nature of transaction		
Dividends received, net of tax	(6,954,250)	(5,250,000)
Management fees receivable	(12,733,200)	(9,814,928)
Rental of motor vehicles receivable	(27,235)	(11,180)
Rental of motor vehicles payable	130	-
Rental income for furnished premises, inclusive of maintenance	(1,471,892)	(1,349,450)
Acquisition of property, plant and equipment	60,000	-
Interest income	(3,675,026)	(4,420,014)
Interest expense	1,954,580	2,253,558

31. Related parties (continued)

Transactions with members of the key management personnel of the Company

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Nature of transaction				
Sale of manufactured goods	-	(8,190)	-	-
Purchase of finished goods	-	5,898	-	-
Acquisition of property, plant and equipment	-	150,000	-	150,000

Transaction with companies in which certain Directors have interests

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Nature of transaction				
Rental of premises	259,200	259,200	199,200	199,200

Transaction with the spouse of a director who is a major shareholder of the Company

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Nature of transaction				
Acquisition of property, plant and equipment	160,000	-	160,000	-

Balances with related parties

The balances with the subsidiaries are disclosed in Notes 10 and 18 to the financial statements. The balances with other related parties are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Amount due from	-	54,732	-	-
Amount due to	-	(5,000)	-	-

Related party transactions were effected based on negotiated terms and all amounts outstanding at the end of the reporting period are unsecured and expected to be settled in cash. None of the outstanding balances, which are expected to be settled in cash, is secured.

NOTES TO THE FINANCIAL STATEMENTS

32. Acquisitions and disposals of subsidiaries

(i) Acquisition of new subsidiaries

During the current financial year, the Group acquired the following subsidiaries for a total consideration of RM6 (2011: RM2), satisfied in cash:

Subsidiary	Date of acquisition	% of equity interest acquired	Total consideration RM
2012			
Weida Properties Sdn. Bhd. ("WPSB")	9 November 2011	100	2
Loyal Paragon Sdn. Bhd.^	8 December 2011	100	2
Good Axis Sdn. Bhd.^	9 March 2012	100	2
			6

^ The companies are acquired by WPSB during the financial year.

Subsidiary	Date of acquisition	% of equity interest acquired	Total consideration RM
2011			
Hydro Solutions Sdn. Bhd.	28 July 2010	100	2

The effects of the acquisitions of the above subsidiaries on the Group's assets and liabilities on the date of acquisition are/were as follows:

	Pre-acquisition carrying amounts 2012 RM	Pre-acquisition carrying amounts 2011 RM
Net identifiable assets acquired, satisfied by cash	6	2
Less: Cash acquired	(6)	(2)
Net cash outflow on acquisition	-	-

The acquisition of the above subsidiaries has no material impact on the results of the Group for the financial years ended 31 March 2012 and 31 March 2011 as the said subsidiaries were acquired at the date of the incorporation.

32. Acquisitions and disposals of subsidiaries (continued)

(ii) Changes in investment in existing subsidiaries

Additional investments arising from the new shares issued by existing subsidiaries

On 16 July 2011, a wholly-owned subsidiary, Weida Integrated Industries Sdn. Bhd., issued 300,000 redeemable preference shares ("RPS") of RM1.00 each for a total consideration of RM63,000,000, which were fully subscribed by the Company. The purchase consideration was settled by way of set off against the amount due from the said subsidiary.

On 24 November 2011, WPSB issued additional 99,998 new ordinary shares of RM1.00 each to the Company for cash to raise working capital.

During the last financial year, an indirect subsidiary, LIPP Biogas (Malaysia) Sdn. Bhd. issued 700,000 new ordinary shares of RM1.00 each at par where 560,000 shares of RM1.00 each were subscribed by Weida Environmental Technology Sdn. Bhd. ("WET").

The above changes do not have any impact to the Group as there are no changes in the Group's equity interest in these subsidiaries.

Increase in investment

During the last financial year, the Company acquired an additional 5,000 ordinary share of RM1.00 each in WET for a cash consideration of RM5,000. The resultant group equity interest in WET had increased from 51% to 56% following the acquisition.

The acquisition of the additional interest in WET had the following effect on the Group's assets and liabilities on the acquisition date:

	2011 **RM**
Net assets acquired	833,828
Changes in shares of net assets	(828,828)
Cash outflow on acquisition	5,000

The above acquisition was accounted for as an equity transaction between the Group and its minority shareholders. The change in the group's share of net assets of RM828,828 was adjusted against the Group reserves at the date of acquisition. The Group had also recognised a decrease in non-controlling interests of RM833,828.

32. Acquisitions and disposals of subsidiaries (continued)

(iii) Internal restructuring

During the last financial year, the Company disposed of all of its equity interest in the following subsidiaries to WET for a total consideration of RM691,000, satisfied in cash.

Subsidiary	Date of disposal	Equity interest disposed (%)	Total consideration RM
Weidasar Engineering Sdn. Bhd. ("WESB")	30.6.2010	64.0	640,000
Weida Water (ADRA) Sdn. Bhd. ("WWASB")	12.7.2010	51.0	51,000
			691,000

Following the internal restructuring, the Group's resultant effective equity interest in WESB and WWASB decreased to 35.84% and 28.56% respectively.

The internal restructuring was accounted for as equity transactions between the Group and its minority shareholders. The change in the group's share of net assets of RM1,288,541 was adjusted against the Group reserves at the date of completion of the restructuring. The Group had also recognised a decrease in non-controlling interests of RM1,288,541.

(iv) De-registration of a subsidiary

On 15 March 2012, WWASB filed an application to the Companies Commission of Malaysia for de-registration pursuant to Section 308 of the Companies Act, 1965. The strike off of WWASB does not have any material effect to the Group.

33. Prior year adjustment on intangible assets

During the last financial year, the Group effected a prior year adjustment to account for the following contract receivables retrospectively as intangible assets.

A subsidiary undertook the construction of telecommunication towers for a network facility provider licence holder ("NFPLH") in the financial years 2006 to 2011. The towers when completed were leased to telecommunication companies by the NFPLH. As payments for the contract claims arising from the construction of the telecommunication towers, the NFPLH entered into an agreement with the subsidiary to share the rental proceeds from leasing of the telecommunication towers in pre-determined ratios for a period of ten years commencing from the month when the rental proceeds are first received. Up to the financial year ended 31 March 2010, the contract receivables were accounted for as loans and receivables.

In re-examining the contract receivables, particularly the manner in which they are paid by the NFPLH, the Group concluded that the assets should more appropriately be regarded as intangible assets in accordance with FRS 138, *Intangible Assets* and measured the contract receivables retrospectively as such [see accounting policy Notes 2(g) and 2(o)(vi)].

34. Significant changes in accounting policies

During the last financial year, the Group adopted a number of new/revised FRSs, amendments and interpretations, which were effective for the annual periods beginning on or before 1 April 2010.

Except for FRS 139, *Financial Instruments: Recognition and Measurement*, the adoption of the new/revised FRSs, amendments and interpretations, most of which were either applied prospectively or required extended disclosures, did not have a material effect on the financial statements.

The effect of the initial adoption of FRS 139 on 1 April 2010 by the Group was summarised as follows:

	Retained earnings RM
At 1 April 2010, as previously stated *	93,827,455
Remeasurement of trade and other receivables and payables arising from adoption of FRS 139 (net of tax)	(365,927)
At 1 April 2010, as restated *	93,461,528

* *Excluding the effect of prior year adjustments in respect of intangible assets.*

The changes in accounting policies following the adoption of FRS 139 were made in accordance with the transitional provisions of the Standard, which requires for the first-time adoption thereof, adjustments arising from remeasuring financial instruments at the beginning of the financial year to be recognised as adjustments of the opening balance of retained earnings or other appropriate reserves. Comparatives were not required to be adjusted.

NOTES TO THE FINANCIAL STATEMENTS

35. Supplementary financial information on the breakdown of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, the Malaysian Institute of Accountants further issued another directive on the disclosure and prescribed format of presentation.

The breakdown of retained earnings of the Group and of the Company as at the end of reporting period, into realised and unrealised earnings, pursuant to the directive are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Total retained earnings of the Company and its subsidiaries				
- Realised	151,517,036	122,038,828	14,357,664	4,990,697
- Unrealised	(1,035,311)	(4,502,350)	-	-
	150,481,725	117,536,478	14,357,664	4,990,697
The share of accumulated losses from associate				
- Realised	(40)	-	-	-
	150,481,685	117,536,478	14,357,664	4,990,697
(Less)/Add: Consolidation adjustments	(1,480,244)	9,606,213	-	-
Total retained earnings as per statement of changes in equity (see Note 16)	149,001,441	127,142,691	14,357,664	4,990,697

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.

LIST OF PROPERTIES
AS AT 31 MARCH 2012

Location	Usage	Tenure	Date of Expiry	Land Area/ Acres	Approximate Age of Building (year)	* Carrying Amount as at 31.03.2012 (RM)	Date of Acquisition/ Last Revaluation
Lot 472, Block 8, Muara Tebas Land District, Jalan Bako, 93050 Kuching, Sarawak	Office and manufacturing buildings and storage yard	Leasehold	7/7/2058	17.39	14	24,991,293	06/11/2009
Lot 48, SEDCO-Lok Kawi Industrial Estate, Papar, 88801 Kota Kinabalu, Sabah	Storage yard	Leasehold	31/12/2042	0.82	N/A	535,902	03/11/2009
Lot 56, SEDCO-Lok Kawi Industrial Estate, Papar, 88801 Kota Kinabalu, Sabah	Storage yard	Leasehold	31/12/2042	0.93	N/A	616,042	03/11/2009
Lot 57, SEDCO-Lok Kawi Industrial Estate, Papar, 88801 Kota Kinabalu, Sabah	Office and manufacturing building	Leasehold	31/12/2042	2.15	16	4,498,231	03//11/2009
Lot 58, SEDCO-Lok Kawi Industrial Estate, Papar, 88801 Kota Kinabalu, Sabah	Manufacturing building and storage yard	Leasehold	31/12/2042	1.03	10	2,193,579	03/11/2009
Lot 59, SEDCO-Lok Kawi Industrial Estate, Papar, 88801 Kota Kinabalu, Sabah	Manufacturing building and storage yard	Leasehold	31/12/2042	1.03	2	894,858	03/11/2009
Lot 8, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah	Manufacturing building and storage yard	Leasehold	31/12/2098	2.11	2	5,155,885	03/11/2009
Lot 1969, Block 5, Kuala Baram Land District, Taman Senadin, Miri, Sarawak	Office and manufacturing building and storage yard	Leasehold	14/8/2056	0.64	7	2,087,522	05/11/2009
Lot 1970, Block 5, Kuala Baram Land District, Taman Senadin, Miri, Sarawak	Storage yard	Leasehold	14/8/2056	0.64	N/A	440,431	05/11/2009

LIST OF PROPERTIES
AS AT 31 MARCH 2012

Location	Usage	Tenure	Date of Expiry	Land Area/ Acres	Approximate Age of Building (year)	* Carrying Amount as at 31.03.2012 (RM)	Date of Acquisition/ Last Revaluation
Lot 109, Jalan Permata 1, Arab-Malaysian Industrial Park, 71800 Nilai, Seremban, Negeri Sembilan Darul Khusus	Office and manufacturing building and storage yard	Freehold	N/A	3.04	15	5,948,279	06/11/2009
Lot 108, Jalan Permata 1, Arab-Malaysian Industrial Park, 71800 Nilai, Seremban, Negeri Sembilan Darul Khusus	Storage yard	Freehold	N/A	3.68	N/A	3,062,530	06/11/2009
Lot 8039, Jalan Permata 1, Arab-Malaysian Industrial Park, 71800 Nilai, Seremban, Negeri Sembilan Darul Khusus	Storage yard	Freehold	N/A	1.00	N/A	1,081,103	1/7/2010
Lot 1, Block 19, Arip Land District, Sg. Naong, Arip, Sibu, Sarawak	Oil palm plantation	Leasehold	12/11/2066	5,320.17	1 - 5	39,447,571	28/3/2007
Lot 2, Block 20, Arip Land District, Sg. Naong, Arip, Sibu, Sarawak	Oil palm plantation	Leasehold	12/11/2066	1,218.23	N/A	8,425,426	28/3/2007
Lot 1, Block 20, Arip Land District, Sg. Naong, Arip, Sibu, Sarawak	Oil palm plantation	Leasehold	24/11/2065	2,002.29	N/A	17,634,295	17/6/2008
Lot 2, Block 8, Anap Land District, Sg. Muput Kanan, Tatau Bintulu, Sarawak	Oil palm plantation	Leasehold	27/11/2066	5,313.50	N/A	36,562,917	28/3/2007
Lot 5, Block 16, Sangan Land District, Sg. Muput Kanan, Tatau Bintulu, Sarawak	Oil palm plantation	Leasehold	27/11/2066	2,241.74	N/A	15,419,756	28/3/2007

* *These comprise the carrying amount of land and buildings, plantation and other infrastructure, oil palm plantation development expenditure as well as buildings and plantation infrastructure under construction.*

ANALYSIS OF SHAREHOLDINGS
AS AT 26 JULY 2012

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-up Share Capital	:	RM66,666,666.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

Distribution Schedule of Ordinary Shares

Holdings	No. of Holders	Total Holdings	%*
Less than 100 shares	119	4,488	0.00#
100 to 1,000 shares	393	192,132	0.15
1,001 to 10,000 shares	1,157	6,383,818	5.03
10,001 to 100,000 shares	576	19,819,578	15.62
100,001 to less than 5% of issued shares	102	56,038,568	44.16
5% and above of issued shares	3	44,456,548	35.03
TOTAL	2,350	126,895,132	100.00

Less than 0.01%

* *Excluding 6,438,200 ordinary shares of RM0.50 each bought back and retained as treasury shares as at 26 July 2012.*

List of Thirty Largest Securities Accounts Holders

No.	Name	No. of shares held	%*
1.	Weida Management Sdn. Bhd.	26,048,974	20.53
2.	HLG Nominee (Tempatan) Sdn. Bhd. - Assar Asset Management Sdn. Bhd. for Assar Industri Sdn. Bhd.	11,333,332	8.93
3.	YBhg. Dato' Lee Choon Chin	7,074,242	5.57
4.	Lembaga Tabung Haji	6,296,666	4.96
5.	Sim Hong Swee	3,953,506	3.12
6.	Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Siaw Teck Siong	3,411,000	2.69
7.	Lim Wei Wui	3,299,500	2.60
8.	Jee Hon Chong	2,299,550	1.81
9.	Goo Moi	1,900,900	1.50
10.	Teh Guat Hong	1,854,800	1.46
11.	UOBM Nominees (Tempatan) Sdn. Bhd. - Exempt An for Areca Capital Sdn. Bhd. (Client A/C 1)	1,852,000	1.46
12.	Lim Heng Loong	1,724,000	1.36
13.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Bong Lee Min	1,623,600	1.28

ANALYSIS OF SHAREHOLDINGS
AS AT 26 JULY 2012

List of Thirty Largest Securities Accounts Holders (continued)

No.	Name	No. of shares held	%*
14.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for Citibank NA, Singapore (Julius Baer)	1,489,800	1.17
15.	MKW Jaya Sdn. Bhd.	1,162,400	0.92
16.	Yip Yuen Kuan	1,102,000	0.87
17.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Siaw Teck Siong (E-PDG)	1,008,000	0.79
18.	Lau Choon Fah	978,000	0.77
19.	Liew Yoon Yee	900,300	0.71
20.	Ng Sea Yong	871,400	0.69
21.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Boon Tiang (BMM/AAA)	830,000	0.65
22.	Loo Geok Lee	803,000	0.63
23.	Liew Yoon Yee	760,000	0.60
24.	Bong Lee Min	692,500	0.55
25.	Teoh Kian Fuh	682,500	0.54
26.	Singam A/L Kumarasamy	638,000	0.50
27.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Boon Huat	629,000	0.50
28.	Lai Siew Mu	495,000	0.39
29.	Chua Kok Sian	427,000	0.34
30.	Theoh Kean Hin @ Tneoh Kean Hin	412,000	0.32

* *Excluding 6,438,200 ordinary shares of RM0.50 each bought back and retained as treasury shares as at 26 July 2012.*

List of Substantial Shareholders

		No. of shares held			
No.	**Name**	**Direct**	**%[a]**	**Indirect**	**%[a]**
1.	YBhg. Dato' Lee Choon Chin	7,074,242	5.57	26,048,974[b]	20.53
2.	YBhg. Datin Liew Kee Moi	-	-	26,048,974[c]	20.53
3.	Weida Management Sdn. Bhd.	26,048,974	20.53	-	-
4.	Assar Industri Sdn. Bhd.	11,400,656[d]	8.98	-	-

Notes:

(a) *Excluding 6,438,200 ordinary shares of RM0.50 each bought back and retained as treasury shares as at 26 July 2012.*

(b) *Deemed interested by virtue of his substantial shareholding in Weida Management Sdn. Bhd.*

(c) *Deemed interested by virtue of her spouse's, YBhg. Dato' Lee Choon Chin and her substantial shareholdings in Weida Management Sdn. Bhd.*

(d) *11,333,332 shares are held through Assar Asset Management Sdn. Bhd.*

ANALYSIS OF SHAREHOLDINGS
AS AT 26 JULY 2012

Directors' Interests

		No. of shares held			
No.	**Name**	**Direct**	**%[a]**	**Indirect**	**%[a]**
1.	Dato' Wee Hoe Soon @ Gooi Hoe Soon	-	-	-	-
2.	Haji Su'ut bin Haji Suhaili	33,334	0.03	177,966[b]	0.14
3.	YBhg. Dato' Lee Choon Chin	7,074,242	5.57	26,048,974[c]	20.53
4.	YBhg. Datuk Dr Stalin Hardin	33,334	0.03	-	-
5.	Jee Hon Chong	2,038,776	1.61	-	-
6.	Chew Chin Choong	-	-	-	-
7.	Yeoh Chin Hoe	-	-	-	-

The Directors by virtue of their interests in shares in the Company are also deemed to have interests in shares in all of its related corporations to the extent the Company has an interest, pursuant to Section 6A of the Companies Act, 1965.

Notes:

(a) Excluding 6,438,200 ordinary shares of RM0.50 each bought back and retained as treasury shares as at 26 July 2012.

(b) Deemed interested by virtue of his spouse's interest in Weida (M) Bhd.

(c) Deemed interested by virtue of his substantial shareholding in Weida Management Sdn. Bhd.

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FORM OF PROXY

WEIDA (M) BHD
(Company No. 504747-W)
(Incorporated in Malaysia)

I/We ____ (Name in full)

______________________ (IC/Passport/Company No.) of ______________________

____ (Address)

being a member/members of the abovenamed Company hereby appoint ______________________

____ (Name in full)

______________________ (IC/Passport No.) of ______________________

____ (Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at Four Points by Sheraton Hotel, 3186-3187, Block 16, KCLD, Jalan Lapangan Terbang Baru, 93350 Kuching, Sarawak on Thursday, 27 September 2012 at 2.30 pm and any adjournment thereof for/against the resolutions to be proposed thereat.

Please indicate with an "X" in the appropriate box against each resolution how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

My/our proxy is to vote as indicated below:

No.	**Resolutions**	**For**	**Against**
1.	To declare a first and final dividend in respect of the financial year ended 31 March 2012.		
2.	To approve the directors' fees for the financial year ending 31 March 2013.		
3.	To re-elect Mr. Jee Hon Chong as director.		
4.	To re-elect Mr. Chew Chin Choong as director.		
5.	To re-elect YBhg. Dato' Wee Hoe Soon @ Gooi Hoe Soon as director.		
6.	To re-appoint YBhg. Datuk Dr Stalin Hardin as director.		
7.	To re-appoint Messrs. KPMG as auditors.		
8.	Ordinary Resolution - Renewal of authority for purchase of own shares by the Company.		
9.	Special Resolution - Proposed amendments to the Company's Articles of Association.		

Shareholding Represented by Proxy	

Dated this ______________ day of ______________ 2012

____
Signature of shareholder(s)/common seal

Notes:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Wisma Hock Peng, Ground Floor to 2nd Floor, 123, Green Heights, Jalan Lapangan Terbang, 93250 Kuching, Sarawak not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
7. A depositor whose name appears in the Record of Depositors as at 21 September 2012 shall be regarded as a member of the Company entitled to attend this Annual General Meeting or appoint a proxy to attend and vote on his behalf.

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AFFIX
STAMP

The Company Secretary

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

Wisma Hock Peng
Ground Floor to 2nd Floor
123, Green Heights, Jalan Lapangan Terbang
P. O. Box 2424, 93748 Kuching, Sarawak

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REPUBLIC OF THE PHILIPPINES

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THE SYRIAN ARAB REPUBLIC

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