FINANCIAL STATEMENTS

Directors' Report

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group consist of the provision of gas turbines packages and related services, oilfield equipment and services, servicing of rotating equipment, integrated corrosion and inspection services, predominantly for the oil and gas industry.

There was no significant change in the nature of the activities of the Group and the Company during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year attributable to		
- Equity holders of the Company	45,407,801	23,889,211
- Non-controlling interest	10,131,529	0
Profit for the financial year	55,539,330	23,889,211

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 December 2014 were as follows:

	RM
In respect of the financial year ended 31 December 2014, as shown in the Directors' report of that year, a second interim single tier dividend of 5 sen per share on 400,000,000 ordinary shares, paid on 26 March 2015	20,000,000
In respect of the financial year ended 31 December 2015, first interim single tier dividend of 2 sen per share on 400,000,000 ordinary shares, paid on 25 September 2015	8,000,000
	28,000,000

The Directors, had on 23 February 2016 declared a second interim single tier dividend of 3.5 sen per share of RM0.50 each in respect of the financial year ended 31 December 2015 totalling RM14,000,000, payable on 25 March 2016.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2015.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

LONG-TERM INCENTIVE PLAN ("LTIP")

The Company's LTIP is governed by the By-Laws which was approved by the shareholders on 27 May 2014 and is administered by the Plan Committee which is appointed by the Board of Directors, in accordance with the By-Laws. The LTIP shall be in force for a period of 10 years commencing from 10 October 2014. The salient features, terms and details of the LTIP are disclosed in Note 29 to the financial statements.

During the financial year, the Company made the first grant of 2,396,500 ordinary shares of RM0.50 each under the LTIP to selected eligible employees of the Group. The first grant comprises the Restricted Share Incentive Plan ("RS Award") of 1,254,300 shares and Performance Share Incentive Plan ("PS Award") of 1,142,200 shares ("1st Grant").

The number of shares granted under the LTIP during the financial year and the number of shares outstanding at the end of the financial year are as follows:

Date of 1st Grant	Type of Grant	At 1.1.2015	Granted	Forfeited	At 31.12.2015
2 March 2015	RS Award	0	1,254,300	(150,300)	1,104,000
	PS Award	0	1,142,200	(101,200)	1,041,000

The shares granted will be vested only upon fulfilment of vesting conditions which include achievement of service period and performance targets.

DIRECTORS

The Directors who have held office since the date of the last report are as follows:

Dato' Izham bin Mahmud
Datuk Vivekananthan a/l M.V. Nathan
Datuk Ishak bin Imam Abas
Datuk Chin Kwai Yoong
Nan Yusri bin Nan Rahimy
Datuk Ir (Dr) Abdul Rahim bin Hashim
Datuk Noor Azian binti Shaari
Tan Sri Dato' Seri Abdul Ghani bin Abdul Aziz (Retired on 29 April 2015)

In accordance with Article 78 of the Company's Articles of Association, Datuk Chin Kwai Yoong retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Dato' Izham bin Mahmud, Datuk Vivekananthan a/l M.V. Nathan and Datuk Ishak bin Imam Abas, retire pursuant to Section 129(2) of the Companies Act, 1965 at the forthcoming Annual General Meeting and offer themselves for re-appointment in accordance with Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 7) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company and its related corporations were as follows:

	Number of ordinary shares of RM0.50 each in the Company			
	At 1.1.2015	Acquired	Sold	At 31.12.2015
Direct interest				
Dato' Izham bin Mahmud	11,200,000	0	0	11,200,000
Datuk Vivekananthan a/l M.V. Nathan	42,669,300	30,000	0	42,699,300
Datuk Ishak bin Imam Abas	2,550,998	112,000	(270,000)	2,392,998
Datuk Chin Kwai Yoong	750,000	0	0	750,000
Nan Yusri bin Nan Rahimy	387,332	10,000	0	397,332
Indirect interest				
Dato' Izham bin Mahmud	138,264,398	0	0	138,264,398
Datuk Vivekananthan a/l M. V. Nathan	81,718,800	0	0	81,718,800
Datuk Chin Kwai Yoong	0	50,000	0	50,000
Nan Yusri bin Nan Rahimy	76,332	0	0	76,332

	Number of ordinary shares of RM1.00 each in a subsidiary, VSM Technology Sdn. Bhd.			
	At 1.1.2015	Acquired	Sold	At 31.12.2015
Direct interest				
Datuk Vivekananthan a/l M.V. Nathan	40,400	0	0	40,400

By virtue of their interest in shares in the Company pursuant to Section 6A of the Companies Act, 1965, Dato' Izham bin Mahmud and Datuk Vivekananthan a/l M.V. Nathan are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

The following Director is deemed to have interest in the shares of the Company to the extent of the shares granted to him pursuant to the LTIP of the Company:

			Number of ordinary shares of RM0.50 each granted under LTIP			
	Date of Grant	Type of Grant	At 1.1.2015	Granted	Forfeited	At 31.12.2015
Nan Yusri bin Nan Rahimy	2 March 2015	RS Award	0	145,800	0	145,800
		PS Award	0	226,200	0	226,200

The shares granted to Nan Yusri bin Nan Rahimy were made in accordance with the resolution passed by shareholders of the Company at Annual General Meeting held on 27 May 2014.

Other than as disclosed above, according to the Register of Directors' Shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares and grants over shares in the Company or shares, grants over shares and debentures of its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business at their values as shown in the accounting records of the Group and the Company had 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:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability 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 affect the ability of the Group or the Company to meet their obligations when they fall due.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

(a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events are disclosed in Notes 38 and 39 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 23 February 2016.

DATO' IZHAM BIN MAHMUD
DIRECTOR

NAN YUSRI BIN NAN RAHIMY
DIRECTOR

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014 Restated
		RM	RM	RM	RM
Continuing operations					
Revenue	5	**649,397,527**	657,273,046	**42,789,555**	55,061,805
Cost of sales		**(500,221,541)**	(499,303,834)	**(12,831,300)**	(13,241,152)
Gross profit		**149,175,986**	157,969,212	**29,958,255**	41,820,653
Other operating income		**2,192,153**	1,973,866	**1,739,847**	1,066,000
Selling and distribution costs		**(31,684,785)**	(33,668,552)	**0**	0
Administrative expenses		**(49,662,762)**	(45,754,908)	**(7,088,144)**	(6,633,609)
Other operating gains/(losses)		**2,147,573**	1,721,395	**(24,421)**	(8,054,308)
Operating profit		**72,168,165**	82,241,013	**24,585,537**	28,198,736
Finance cost	8	**(7,433,136)**	(3,974,805)	**(1,555,537)**	(768,590)
Share of results of a joint venture (net of tax)	16	**774,888**	0	**0**	0
Share of results of associates (net of tax)	17	**5,642,114**	13,727,331	**0**	0
Profit before tax	6	**71,152,031**	91,993,539	**23,030,000**	27,430,146
Tax expense	9	**(16,653,413)**	(21,359,076)	**859,211**	7,456
Profit from continuing operations		**54,498,618**	70,634,463	**23,889,211**	27,437,602
Discontinued operation					
Profit from discontinued operation (net of tax)	38	**1,040,712**	16,758	**0**	0
Profit for the year		**55,539,330**	70,651,221	**23,889,211**	27,437,602
Other comprehensive income: Item that may be subsequently reclassified to profit or loss					
Currency translation differences		**1,110,952**	301,671	**0**	0
Share based payment		**0**	(42,888)	**0**	0
Other comprehensive income (net of tax)		**1,110,952**	258,783	**0**	0
Total comprehensive income for the financial year		**56,650,282**	70,910,004	**23,889,211**	27,437,602

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2015

	Note	Group		Company	
		2015	**2014**	**2015**	**2014 Restated**
		RM	**RM**	**RM**	**RM**
Profit attributable to:					
Equity holders of the Company		**45,407,801**	59,324,189	**23,889,211**	27,437,602
Non-controlling interest		**10,131,529**	11,327,032	**0**	0
		55,539,330	70,651,221	**23,889,211**	27,437,602
Total comprehensive income attributable to:					
Equity holders of the Company		**45,722,023**	59,373,612	**23,889,211**	27,437,602
Non-controlling interest		**10,928,259**	11,536,392	**0**	0
		56,650,282	70,910,004	**23,889,211**	27,437,602
Earnings per share (sen)					
- Basic	10				
- From continuing operations		**11.09**	14.83		
- From discontinued operation		**0.26**	0.00		
		11.35	14.83		
- Diluted	10				
- From continuing operations		**11.04**	14.76		
- From discontinued operation		**0.26**	0.00		
		11.30	14.76		

The above statements of comprehensive income are to be read in conjunction with the significant accounting policies and notes 1 to 41 to the Financial Statements.

Statements of Financial Position

As at 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 Restated RM
NON-CURRENT ASSETS					
Property, plant and equipment	12	**226,786,470**	229,723,129	**3,799,227**	4,332,071
Investment properties	13	**865,150**	888,036	**0**	0
Intangible assets	14	**3,091,447**	3,234,863	**211,790**	184,965
Subsidiaries	15	**0**	0	**135,095,308**	165,740,455
Joint venture	16	**27,022,189**	0	**29,375,937**	0
Associates	17	**44,750,474**	40,644,930	**0**	0
Deferred tax assets	27	**6,305,754**	2,839,249	**1,024,829**	165,618
		308,821,484	277,330,207	**169,507,091**	170,423,109
CURRENT ASSETS					
Amounts due from subsidiaries	18	**0**	0	**97,848,456**	85,627,754
Tax recoverable		**3,656,701**	4,409,967	**27,437**	27,437
Inventories	19	**20,440,414**	28,302,353	**0**	0
Trade and other receivables	20	**194,118,139**	244,360,595	**2,496,945**	626,041
Deferred cost		**9,226,198**	8,392,993	**0**	0
Amounts due from associates	21	**1,615,602**	4,334,709	**2,341**	2,341
Amounts due from a joint venture	22	**177,221**	0	**162,165**	0
Cash and bank balances	23	**134,712,278**	75,738,796	**4,454,000**	9,637,256
		363,946,553	365,539,413	**104,991,344**	95,920,829
Assets classified as held for sale	38	**0**	27,266,013	**0**	0
		363,946,553	392,805,426	**104,991,344**	95,920,829

Statements of Financial Position

As at 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014 Restated
		RM	RM	RM	RM
LESS: CURRENT LIABILITIES					
Amounts due to subsidiaries	18	**0**	0	**22,461,856**	15,667,841
Amounts due to an associate	21	**7,517,125**	0	**0**	0
Amounts due to a joint venture	22	**299,050**	0	**0**	0
Borrowings	24	**57,425,513**	50,784,444	**30,800,000**	26,300,000
Taxation		**2,945,804**	815,841	**0**	0
Dividends payable		**343,250**	529,510	**74,008**	33,291
Deferred revenue		**8,883,125**	8,244,694	**0**	0
Trade and other payables	25	**177,715,103**	182,378,417	**4,421,676**	3,676,278
Financial guarantee liabilities	26	**26,779**	0	**26,779**	47,946
		255,155,749	242,752,906	**57,784,319**	45,725,356
Liabilities classified as held for sale	38	**0**	1,984,939	**0**	0
		255,155,749	244,737,845	**57,784,319**	45,725,356
NET CURRENT ASSETS		**108,790,804**	148,067,581	**47,207,025**	50,195,473
NON-CURRENT LIABILITIES					
Deferred tax liabilities	27	**18,662,483**	15,888,113	**0**	0
Borrowings	24	**79,960,337**	104,585,998	**0**	0
		98,622,820	120,474,111	**0**	0
		318,989,468	304,923,677	**216,714,116**	220,618,582

Statements of Financial Position

As at 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
					Restated
		RM	RM	RM	RM
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Ordinary shares	28	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Share based payment	29	**206,323**	0	**206,323**	0
Retained earnings		**145,256,123**	127,843,825	**16,507,793**	20,618,582
Merger deficit	30	**(50,000,000)**	(50,000,000)	**0**	0
Foreign currency translation		**(2,735,491)**	(3,049,713)	**0**	0
Shareholders' equity		**292,726,955**	274,794,112	**216,714,116**	220,618,582
NON-CONTROLLING INTEREST		**26,262,513**	30,129,565	**0**	0
TOTAL EQUITY		**318,989,468**	304,923,677	**216,714,116**	220,618,582

The above statements of financial position are to be read in conjunction with the significant accounting policies and notes 1 to 41 to the Financial Statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2015

Group	Note	Number of shares	Nominal value RM	Share based payment RM	Foreign currency translation RM	Merger deficit RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total equity RM
		Attributable to equity holders of the Company								
		Issued and fully paid ordinary shares of RM0.50 each		Non-distributable			Distributable			
At 1 January 2015		**400,000,000**	**200,000,000**	**0**	**(3,049,713)**	**(50,000,000)**	**127,843,825**	**274,794,112**	**30,129,565**	**304,923,677**
Profit for the financial year		**0**	**0**	**0**	**0**	**0**	**45,407,801**	**45,407,801**	**10,131,529**	**55,539,330**
Other comprehensive income for the financial year		**0**	**0**	**0**	**314,222**	**0**	**0**	**314,222**	**796,730**	**1,110,952**
Total comprehensive income for the financial year		**0**	**0**	**0**	**314,222**	**0**	**45,407,801**	**45,722,023**	**10,928,259**	**56,650,282**
Share based payment	29	**0**	**0**	**206,323**	**0**	**0**	**0**	**206,323**	**0**	**206,323**
Change in ownership interest in a subsidiary	39	**0**	**0**	**0**	**0**	**0**	**4,497**	**4,497**	**(3,173,497)**	**(3,169,000)**
Dividends	11	**0**	**0**	**0**	**0**	**0**	**(28,000,000)**	**(28,000,000)**	**(11,621,814)**	**(39,621,814)**
At 31 December 2015		**400,000,000**	**200,000,000**	**206,323**	**(2,735,491)**	**(50,000,000)**	**145,256,123**	**292,726,955**	**26,262,513**	**318,989,468**
At 1 January 2014		150,000,000	150,000,000	42,888	(3,142,024)	(50,000,000)	145,019,636	241,920,500	29,325,821	271,246,321
Profit for the financial year		0	0	0	0	0	59,324,189	59,324,189	11,327,032	70,651,221
Other comprehensive income for the financial year		0	0	(42,888)	92,311	0	0	49,423	209,360	258,783
Total comprehensive income for the financial year		0	0	(42,888)	92,311	0	59,324,189	59,373,612	11,536,392	70,910,004
Bonus issue	28	50,000,000	50,000,000	0	0	0	(50,000,000)	0	0	0
Share split	28	200,000,000	0	0	0	0	0	0	0	0
Dividends	11	0	0	0	0	0	(26,500,000)	(26,500,000)	(10,732,648)	(37,232,648)
At 31 December 2014		400,000,000	200,000,000	0	(3,049,713)	(50,000,000)	127,843,825	274,794,112	30,129,565	304,923,677

The above consolidated statement of changes in equity is to be read in conjunction with the significant accounting policies and notes 1 to 41 to the Financial Statements.

Company Statement of Changes in Equity

For the Financial Year Ended 31 December 2015

Company	Note	Issued and fully paid ordinary shares of RM0.50 each		Non-distributable	Distributable	
		Number of shares	Nominal value	Share based payment	Retained earnings	Total
			RM	RM	RM	RM
At 1 January 2015		**400,000,000**	**200,000,000**	**0**	**20,618,582**	**220,618,582**
Total comprehensive income for the financial year		**0**	**0**	**0**	**23,889,211**	**23,889,211**
Share based payment	29	**0**	**0**	**206,323**	**0**	**206,323**
Dividends	11	**0**	**0**	**0**	**(28,000,000)**	**(28,000,000)**
At 31 December 2015		**400,000,000**	**200,000,000**	**206,323**	**16,507,793**	**216,714,116**
At 1 January 2014		150,000,000	150,000,000	0	69,680,980	219,680,980
Total comprehensive income for the financial year		0	0	0	27,437,602	27,437,602
Bonus issue	28	50,000,000	50,000,000	0	(50,000,000)	0
Share split	28	200,000,000	0	0	0	0
Dividends	11	0	0	0	(26,500,000)	(26,500,000)
At 31 December 2014		400,000,000	200,000,000	0	20,618,582	220,618,582

The above statement of changes in equity is to be read in conjunction with the significant accounting policies and notes 1 to 41 to the Financial Statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2015

	Note	Group 2015	Group 2014	Company 2015	Company 2014 Restated
		RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		**55,539,330**	70,651,221	**23,889,211**	27,437,602
Adjustments for:					
Impairment loss on investment in subsidiaries		**0**	0	**1,400,000**	8,000,000
Impairment for doubtful debts					
- Trade receivables					
- impairment made		**636,273**	928,646	**0**	0
- write back of impairment		**(300,927)**	(496,803)	**0**	0
Impairment for doubtful debts					
- Other receivables					
- write back of impairment		**(1,500,000)**	0	**(1,500,000)**	0
Allowance for slow moving inventories					
- allowance made		**219,760**	147,038	**0**	0
- write back of allowance made		**(49,364)**	(92,440)	**0**	0
Amortisation of intangible assets		**903,933**	690,880	**41,540**	28,244
Amortisation cost on financial liabilities		**(68)**	8,513	**0**	0
Depreciation					
- property, plant and equipment		**28,879,528**	21,152,040	**829,370**	692,167
- investment properties		**22,886**	23,576	**0**	0
Bad debts written off					
- trade receivables		**114,394**	0	**0**	0
- other receivables		**102,334**	0	**0**	0
Provision for liquidated damages					
- provision made		**1,535**	151,465	**0**	0
Gains on disposal of property, plant and equipment		**(161,840)**	(16,670)	**0**	0

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 Restated RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Adjustments for: (continued)					
Write-off					
- property, plant and equipment		**242,970**	55,210	**1,784**	1,060
- inventories		**0**	17,937	**0**	0
Interest income		**(1,163,901)**	(1,156,804)	**(1,621,879)**	(904,496)
Amortisation of financial guarantee liabilities		**(15,876)**	0	**(21,167)**	(25,733)
Dividend income		**0**	0	**(29,316,655)**	(41,154,205)
Inter-company interest income		**0**	0	**(96,800)**	(96,800)
Finance cost		**7,461,213**	4,112,736	**1,555,537**	768,590
Share based payment expense		**206,323**	(42,888)	**75,533**	0
Share of results of associates		**(5,642,114)**	(13,727,331)	**0**	0
Share of results of a joint venture		**(774,888)**	0	**0**	0
Tax expense		**16,631,702**	21,378,873	**(859,211)**	(7,456)
Unrealised foreign exchange gains		**(5,560,322)**	(3,121,441)	**0**	0
Gain from sale of discontinued operation	38	**(1,126,885)**	0	**0**	0
Operating profit before working capital changes		**94,665,996**	100,663,758	**(5,622,737)**	(5,261,027)
Changes in working capital					
Amounts due from subsidiaries		**0**	0	**(11,082,300)**	(7,598,900)
Inventories		**7,691,543**	(7,737,205)	**0**	0
Trade and other receivables		**53,499,560**	(39,406,493)	**(369,838)**	(163,084)
Deferred cost		**(833,205)**	5,436,363	**0**	0
Amounts due from a joint venture		**(145,300)**	0	**(145,300)**	0
Amounts due to subsidiaries		**0**	0	**6,794,015**	2,080,907
Trade and other payables		**(5,803,372)**	6,331,246	**684,768**	1,183,207
Deferred revenue		**638,431**	(11,791,396)	**0**	0
Cash generated from/(used in) operation		**149,713,653**	53,496,273	**(9,741,392)**	(9,758,897)
Tax (paid)/refunded		**(14,477,651)**	(15,835,890)	**0**	2,962,696
Interest paid		**(7,374,672)**	(4,112,736)	**(1,494,907)**	(768,590)
Net cash generated from/(used in) operating activities		**127,861,330**	33,547,647	**(11,236,299)**	(7,564,791)

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 Restated RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		**1,154,435**	1,156,804	**561,775**	904,496
Purchase of property, plant and equipment	12	**(26,295,541)**	(131,594,925)	**(298,310)**	(369,734)
Proceeds from disposal of property, plant and equipment		**496,266**	18,304	**0**	0
Purchase of intangible assets	14	**(758,997)**	(1,108,165)	**(822,958)**	(909,601)
Amounts due from associates		**(13,111)**	3,459	**0**	212
Amounts due to associates		**7,517,125**	0	**0**	0
Amounts due from a joint venture		**(290,226)**	0	**47,095**	0
Amounts due to a joint venture		**393,603**	0	**0**	0
Dividends received from subsidiaries		**0**	0	**32,216,655**	19,654,205
Dividends received from associates		**5,528,092**	14,555,979	**0**	0
Advances to subsidiaries		**0**	0	**(2,191,931)**	(492,187)
Net cash (used in)/generated from investing activities		**(12,268,354)**	(116,968,544)	**29,512,326**	18,787,391
CASH FLOWS FROM FINANCING ACTIVITIES					
Term loan:					
- drawn down		**0**	113,002,855	**0**	0
- repayments		**(18,598,645)**	(2,091,879)	**0**	0
Revolving credit:					
- drawn down		**7,500,000**	16,500,000	**4,500,000**	16,500,000
- repayments		**(7,000,000)**	0	**0**	0
Loans against import					
- drawn down		**6,595,828**	0	**0**	0
- repayments		**(6,595,828)**	0	**0**	0
Finance lease liabilities					
- repayments		**(34,573)**	(32,883)	**0**	0
Dividends paid to:					
- shareholders		**(27,959,283)**	(26,500,000)	**(27,959,283)**	(26,500,000)
- non-controlling interest		**(11,848,791)**	(10,722,815)	**0**	0
Acquisition of non-controlling interest	39	**(3,169,000)**	0	**0**	0
Increase in restricted cash		**(10,158,754)**	(197,001)	**(40,717)**	0
Net cash (used in)/generated from financing activities		**(71,269,046)**	89,958,277	**(23,500,000)**	(10,000,000)

Statements of Cash Flows

For the Financial Year Ended 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014 Restated
		RM	RM	RM	RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**44,323,930**	6,537,380	**(5,223,973)**	1,222,600
FOREIGN CURRENCY TRANSLATION		**4,667,420**	981,809	**0**	0
DISPOSAL OF DISCONTINUED OPERATION	38	**(5,877,480)**	0	**0**	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**80,716,825**	73,197,636	**9,603,965**	8,381,365
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**123,830,695**	80,716,825	**4,379,992**	9,603,965
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR FROM CONTINUING OPERATIONS	23	**123,830,695**	75,015,967	**4,379,992**	9,603,965
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR FROM DISCONTINUED OPERATION		**0**	5,700,858	**0**	0
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**123,830,695**	80,716,825	**4,379,992**	9,603,965

The above statements of cash flows are to be read in conjunction with the significant accounting policies and notes 1 to 41 to the Financial Statements.

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

A BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention, except as disclosed in the significant accounting policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards and amendments to published standards that are effective and applicable to the Group and the Company

The amendments to published standards that are effective for the Group's and the Company's financial year beginning on or after 1 January 2015 are as follows:

- Annual Improvements to MFRSs 2010 – 2012 Cycle (Amendments to MFRS 2 Share Based Payment, MFRS 3 Business Combinations, MFRS 8 Operating Segments, MFRS 13 Fair Value Measurement, MFRS 116 Property, Plant and Equipment, MFRS 124 Related Party Disclosures and MFRS 138 Intangible Assets)
- Annual Improvements to MFRSs 2011 – 2013 Cycle (Amendments to MFRS 3 Business Combination, MFRS 13 Fair Value Measurement and MFRS 140 Investment Property)
- Amendments to MFRS 119 Defined Benefit Plans: Employees Contributions

The adoption of the Annual Improvements to MFRSs 2010 – 2012 Cycle has required additional disclosures about the aggregation of segments. Other than that, the adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

(b) Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the new standards and amendments to published standards in the following periods:

(i) Financial year beginning on or after 1 January 2016

- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates/Joint Ventures
- Amendments to MFRS 127 Separate Financial Statements – Equity Accounting in Separate Financial Statements
- Annual improvements to MFRS 2012 – 2014 cycle (Amendments to MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, MFRS 7 Financial Instruments: Disclosures, MFRS 119 Employee Benefits and MFRS 134 Interim Financial Reporting)

A BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective (continued)

The Group and the Company will apply the new standards and amendments to published standards in the following periods (continued):

(i) Financial year beginning on or after 1 January 2016 (continued)

- Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 101 Presentation of Financial Statements – Disclosure Initiatives

(ii) Financial year beginning on or after 1 January 2018

- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers

The Group and the Company are in the process of assessing the financial effects on the adoption of the standards in the year of initial application.

The initial application of the abovementioned accounting standards and amendments to published standards are not expected to have any material impacts to the financial statements of the Group and of the Company except as mentioned below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 Revenue and MFRS 111 Construction contracts and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The adoption of MFRS 15 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting MFRS 15.

B CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated using the acquisition method of accounting except for a business combination which was accounted for using the predecessor basis of accounting as follows:

- subsidiaries that were consolidated prior to 1 April 2002 in accordance with Malaysian Accounting Standard 2 "Accounting for Acquisitions and Mergers", the generally accepted accounting principles prevailing at that time
- business combinations consolidated on/after 1 April 2002 but with agreement dates before 1 January 2006 that meet the conditions of a merger as set out in MASB 21 "Business Combinations"
- internal group reorganisations, as defined in MASB 21, consolidated on/after 1 April 2002 but with agreement dates before 1 January 2006 where:
  - the ultimate shareholders remain the same, and the rights of each such shareholder, relative to the others, are unchanged; and
  - the minorities' share of net assets of the Group is not altered by the transfer
- combinations involving entities or businesses under common control with agreement dates on/after 1 January 2006

The Group has taken advantage of the transitional provision provided by MASB 21, FRS 3 and FRS 3 (revised) to apply these Standards prospectively. Transitional provisions of MASB 21, FRS 3 and FRS 3 (revised) that were previously applied and disclosed in the prior year (FRS) financial statements are not relevant in the first set of MFRS financial statements. These provisions were applied to Deleum Services Sdn. Bhd. Deleum Services Sdn. Bhd., a wholly-owned subsidiary company, is consolidated using the merger method of accounting as the internal group reorganisation took place on/after 1 April 2002 and with agreement dates before 1 January 2006, and where the ultimate shareholders remain the same, and the rights of each such shareholder relative to the others, are unchanged and the non-controlling interests' share of net assets of the Group is not altered by the transfer.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for a business combination. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement. Refer to accounting policy Note C(a) on goodwill.

B CONSOLIDATION (CONTINUED)

(a) Subsidiaries (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as a non-distributable reserve. Any share premium, capital redemption reserve and any other capital reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised, are reclassified and presented as movement in merger deficit.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount in the statement of comprehensive income.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

B CONSOLIDATION (CONTINUED)

(c) Disposal of subsidiaries

When the Group ceases to have control over a subsidiary any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Joint Ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of profit/(loss) of a joint venture' in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognized in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

B CONSOLIDATION (CONTINUED)

(e) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition (see accounting policy Note C(a)), net of any accumulated impairment loss. Carrying amount of the investment is reduced by dividends receivable from associates when the Group's right to receive payment is established. Dividends receivable is presented within amount due from associate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any retained interest in the former associate at the date when significant influence is lost is re-measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the statement of comprehensive income.

(f) Transactions with 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 statement of comprehensive income as an allocation of the profit or loss on the total comprehensive income for the year between non-controlling interests and owners of the Company.

C INTANGIBLE ASSETS

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the acquisition date fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the net of the acquisition date fair value of the identifiable assets acquired and liabilities assumed. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Contracts

Customer contracts acquired as part of the business combination have finite useful life which ranges between one to two years and are capitalised at fair value at acquisition date and amortised using the straight line basis over their contractual periods or estimated useful lives, whichever is shorter. Customer contracts are carried at cost less accumulated amortisation and is tested for impairment whenever indication of impairment exists.

(c) Distributorship agreement

Distributorship agreement acquired as part of the business combination is capitalised at fair value at the acquisition date and amortised using the straight line basis over the duration of the agreement. Distributorship agreement is carried at cost less accumulated amortisation and is tested for impairment whenever indication of impairment exists.

(d) Software costs

Software costs are recognised when the Group can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use, its intention to complete and its ability to use, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software costs recognised as assets are amortised using the straight line basis over their estimated useful lives, which does not exceed five years.

Computer software costs for assets in progress are not amortised until they are ready for their intended use.

D INVESTMENTS IN SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

In the Company's separate financial statements, investments in subsidiaries, joint venture and associates are carried at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (see accounting policy Note J on impairment of non-financial assets). Impairment losses are charged to profit or loss.

On disposal of investments in subsidiaries, joint venture and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

E PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to accounting policy Note R on borrowings).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Leasehold land classified as finance lease (refer to accounting policy Note H on leases) is amortised in equal instalments over the period of the respective leases that range from 60 to 99 years. Other property, plant and equipment are depreciated on the straight line basis to allocate the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Freehold building	2%
Long term leasehold buildings	2% - 5%
Office equipment, furniture and fittings	10% - 33 1/3%
Renovations	10% - 20%
Plant, machinery and other equipment	6 2/3% - 33 1/3%
Motor vehicles	16 2/3% - 20%

Assets under construction are not depreciated until they are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted where appropriate at the end of each reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see accounting policy Note J on impairment of non-financial assets).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

F INVESTMENT PROPERTIES

Investment properties, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Investment property is depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives at the rate of 2% per annum.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

Investment property is de-recognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

Useful lives of investment properties are reviewed, and are adjusted if appropriate at the end of the reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the investment property is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see accounting policy Note J on impairment of non-financial assets).

G INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. Cost of purchased inventories for resale purpose is determined after deducting discounts and rebates. For other inventories, the cost comprises raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

H LEASES

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Accounting by lessee

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period. Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in profit or loss when incurred.

I CASH AND CASH EQUIVALENTS

For the purposes of the statements of cash flows, cash and cash equivalents comprises cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments (less than 3 months maturity) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. Any subsequent increase in recoverable amount is recognised in profit or loss. Impairment losses on goodwill are not reversed.

K FINANCIAL ASSETS

(a) Classification

The Group classifies all its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's and the Company's loans and receivables comprise 'amounts due from subsidiaries', 'trade and other receivables (excluding prepayments)', 'amounts due from associates', 'amounts due from a joint venture' and 'cash and bank balances' in the statements of financial position (Notes 18, 20, 21, 22 and 23).

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss.

(c) Subsequent measurement – gains and losses

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

K FINANCIAL ASSETS (CONTINUED)

(d) Subsequent measurement - Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not de-recognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

L FINANCIAL LIABILITIES

(a) Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS139, are recognised in the statement of financial positions when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group classifies all its financial liabilities as other financial liabilities. The Group's and the Company's other financial liabilities comprise 'amounts due to subsidiaries', 'amounts due to associates', 'amounts due to a joint venture', 'borrowings', 'trade and other payables (excluding statutory obligations)' and 'financial guarantee liabilities' in the statements of financial position (Notes 18, 21, 22, 24, 25 and 26).

(b) Recognition and initial measurement

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) De-recognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statements of comprehensive income.

M OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

N FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

O SHARE CAPITAL

(a) Classification

Ordinary shares are classified as equity. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(b) Share issue costs

Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity. Other share issue costs are charged to profit or loss.

(c) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the end of reporting period. A dividend proposed or declared after the end of the reporting period, but before the financial statements are authorised for issue, is not recognised as a liability at the end of the reporting period. Upon the dividend becoming payable, it will be accounted as a liability.

P TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (see accounting policy Note K on impairment of financial assets).

Q PAYABLES

Payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

R BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific 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 added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

S REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of goods and service tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Revenues are measured at the fair value of the consideration received or receivable by the Group. In arrangements whereby the criteria set out below are not met, the marketing fee earned on the sale is recognised as revenue:

- the Group has latitude to set transaction terms with customers including selling price and payment terms;
- part of the integrated specialised services provided to customers are rendered by the Group; and
- the Group assumes risks associated with ownership, such as price risks, credit risks, inventory risks and contractual risks.

Sale of equipment is recognised upon delivery and customer acceptance, net of sales taxes and discounts, and after eliminating sales within the Group. Revenue arising from provision of services is recognised upon performance of services and customer acceptance.

S REVENUE RECOGNITION (CONTINUED)

Revenue associated with performance milestones are recognised based on achievement of the deliverables as defined in the respective agreements as accrued revenue. Upfront payments for which there are subsequent deliverables are initially reported as deferred revenue and are recognised as revenue only when the deliverables are completed and accepted by the customers. Cost incurred for work performed for which performance milestones have yet to be achieved is initially recorded as deferred cost and recognised as cost of sales only when the deliverables are completed and accepted by customers.

Other operating income earned by the Group is recognised on the following basis:

(i) Interest income - using the effective interest method.
(ii) Rental income - on a straight-line basis over the lease term.
(iii) Dividend income - when the Group's right to receive payment is established.

Dividend income earned by the Company is classified as revenue.

Management fee earned by the Company is recognised upon performance of services.

T EMPLOYEE BENEFITS

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Company.

(b) Defined contribution plans

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into the Kumpulan Wang Simpanan Pekerja fund.

The Group's and the Company's contributions to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(c) Share based payment transactions

The Group operates an equity settled share-based compensation plan under which the Group receives services from employees as consideration for equity instruments of the Company. The fair value of the employee services received in exchange for the grant of the share awards is recognised as employee benefit expense with a corresponding increase to the share based payment reserve within equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted, including market performance conditions but excluding the impact of any service and non-market performance vesting conditions.

T EMPLOYEE BENEFITS (CONTINUED)

(c) Share based payment transactions (continued)

Non-market vesting conditions and service conditions are included in assumptions about the number of grants that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of grants that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share based payment reserve in equity.

In its separate financial statements of the Company, the grant of share awards by the Company to the employees of subsidiary in the Group is treated as a capital contribution to the subsidiary. The fair value of shares granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

U CURRENT AND DEFFERED INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries, joint venture and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. On the statement of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is recognised for deductible temporary differences and unutilised tax losses only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group's share of income taxes of joint venture and associates are included in the Group's share of results of joint venture and associates.

V FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities and Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to cash and bank balances are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss on a net basis within 'other (losses)/gains – net'.

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

(c) Group companies

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially sold or disposed of, exchange differences that were recorded in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

W SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment has been identified as the Group Managing Director.

X CONTINGENT LIABILITIES

The Group does not recognise contingent liabilities, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

Y NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE / DISCONTINUED OPERATIONS

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

When the Group is committed to a sale plan involving loss of control of a subsidiary, it shall classify all the assets and liabilities of that subsidiary as held for sale when the criteria set out below had been met.

- Asset available for immediate sale in its present condition;
- Sale is highly probable to occur within one year;
- Management commits to a plan to sell.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

1 GENERAL INFORMATION

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group consist of the provision of gas turbines packages and related services, oilfield equipment and services, servicing of rotating equipment, integrated corrosion and inspection services, predominantly for the oil and gas industry.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is:

No. 2, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur

2 FINANCIAL RISK MANAGEMENT POLICIES

The Group's activities expose it to a variety of financial risks from its operations including market risk, credit risk and liquidity risk. The Group's overall financial risk management objectives are to ensure that the Group creates value for its shareholders and to ensure that adequate financial resources are available for the development of the Group's businesses. The Group operates within clearly defined guidelines that are approved by the Board and seeks to minimise potential adverse effects on its financial performance. Such guidelines are reviewed periodically to ensure that the Group's policy guidelines are complied with.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

<u>Market risk</u>

Market risk refers to the risk that changes in market prices such as foreign exchange rates, interest rates and prices will affect the Group's financial position and cash flows.

(i) <u>Foreign currency exchange risk</u>

The Group is exposed to currency risk as a result of foreign currency transactions entered into currencies other than their functional currency. The Group's policy is to minimise the exposure of transaction risk by matching foreign currency receivables against foreign currency payables and hedging instruments, where appropriate.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Market risk (continued)

(i) Foreign currency exchange risk (continued)

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currencies are as follows:

	Group			
	2015		2014	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	RM	**RM**	**RM**	**RM**
US Dollar	**147,550,508**	**111,035,287**	174,386,118	116,506,010
Others	**112,281**	**153,794**	96,419	333,231
	147,662,789	**111,189,081**	174,482,537	116,839,241

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the US Dollar against Ringgit Malaysia. 10% sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted, based on the translation value at the period end, for a 10% change in foreign currency rates.

If the relevant foreign currency weakens/strengthens by 10% against the functional currency, the profit before tax will (decrease)/increase by:

	Group	
	2015	**2014**
	RM	**RM**
Weaken by 10% impact to profit or loss		
US Dollar	**(3,651,522)**	(5,788,011)
Strengthen by 10% impact to profit or loss		
US Dollar	**3,651,522**	5,788,011

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Market risk (continued)

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate borrowings and deposits with short term tenure.

Interest rate sensitivity

This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. At the reporting date, if interest rates had been 100 basis points lower, with all other variables held constant, the Group's profit before tax would increase by RM1,373,491 (2014: RM1,552,991). Similarly, if interest rates had been 100 basis points higher, with all other variables held constant, the Group's profit before tax would decrease by a similar amount.

(iii) Price risk

The Group is not materially affected by price fluctuation and does not have exposure to price risk.

The Group does not have exposure to share price risk as it does not hold investment in quoted equity instruments.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statement of financial position.

(i) Receivables

The Group's exposure to credit risk is monitored on an ongoing basis. The risk is managed through the application of the Group's credit management procedures which include the application of credit approvals whereby credit evaluations are performed on all customers requiring credit over a certain amount and period, adherence to credit limits, regular monitoring and follow up procedures.

The Group's customers are mainly from the oil and gas industry. The Group considers the material loss in the event of non-performance by a customer to be low.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (continued)

(i) Receivables (continued)

The credit quality of trade receivables can be assessed by reference to historical information about counterparty default rates:

	Group	
	2015	**2014**
	RM	**RM**
Neither past due nor impaired:		
Counterparties without external credit rating		
- New customers during the year	**5,888,569**	5,457,360
- Existing customers with no defaults in the past	**149,481,052**	190,886,300
Total unimpaired trade receivables	**155,369,621**	196,343,660
Past due but not impaired:		
Counterparties without external credit rating		
- New customers during the year	**858,590**	1,032,132
- Existing customers with no defaults in the past	**19,238,649**	31,130,580
Total past due but not impaired trade receivables	**20,097,239**	32,162,712
Past due and impaired:		
Counterparties without external credit rating		
- Existing customers	**2,217,364**	1,922,108
Total past due and impaired trade receivables	**2,217,364**	1,922,108

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (continued)

(ii) Amounts due from subsidiaries, associates and a joint venture

The Company provides unsecured loans and advances to subsidiaries and a joint venture. The amounts due from associates are in relation to dividends receivable and operating expenses. The Company monitors the results of the subsidiaries, associates and joint venture regularly. As at 31 December 2015, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that amounts due from subsidiaries, associates and a joint venture are stated at the realisable values. As at 31 December 2015, there was no indication that the loans and advances extended to the subsidiaries and a joint venture and amounts due from associates are not recoverable.

(iii) Bank balances

Bank balances are with approved financial institutions with credit ratings of AA and above.

As at the end of the reporting period, the maximum exposure to credit risk arising from cash and bank balances is represented by the carrying amounts in the statement of financial position.

Management does not expect any counterparties to fail to meet their obligations. The credit qualities of the financial institutions in respect of bank balances are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
AAA	**134,617,272**	81,369,054	**4,329,558**	9,582,649
AA	**61,358**	31,959	**50,434**	21,120

The credit quality of the above bank balances are assessed by reference to RAM Ratings Services Berhad.

(iv) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayment made by the subsidiaries.

The maximum exposure to credit risk for the Company amounts to RM1,106,423 (2014: RM1,653,879), representing the outstanding banking facilities of a joint venture (2014: a subsidiary) as at end of reporting period. As at the end of the reporting period, there was no indication that the joint venture would default on repayment.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group or the Company has sufficient cash and bank balances and maintains standby credit lines to ensure availability of funding to meet operational requirements. The Group's and the Company's borrowings and standby credit lines are provided by financial institutions with sound credit ratings.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

					2015
	On demand or within one year	One to two years	Two to five years	More than five years	Total
	RM	RM	RM	RM	RM
Group					
Financial liabilities					
Trade and other payables (excluding statutory obligations)	171,366,567	0	0	0	171,366,567
Borrowings	62,014,611	27,989,657	58,526,682	0	148,530,950
Total undiscounted financial liabilities	233,381,178	27,989,657	58,526,682	0	319,897,517
Company					
Financial liabilities					
Amounts due to subsidiaries	22,461,856	0	0	0	22,461,856
Borrowings	30,800,000	0	0	0	30,800,000
Other payables and accruals (excluding statutory obligations)	4,293,420	0	0	0	4,293,420
Total undiscounted financial liabilities	57,555,276	0	0	0	57,555,276

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk (continued)

					2014
	On demand or within one year	**One to two years**	**Two to five years**	**More than five years**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
Financial liabilities					
Trade and other payables (excluding statutory obligations)	179,533,842	0	0	0	179,533,842
Borrowings	56,140,912	30,369,429	81,348,879	6,205,307	174,064,527
Total undiscounted financial liabilities	235,674,754	30,369,429	81,348,879	6,205,307	353,598,369
Company					
Financial liabilities					
Amounts due to subsidiaries	15,667,841	0	0	0	15,667,841
Borrowings	26,300,000	0	0	0	26,300,000
Other payables and accruals (excluding statutory obligations)	3,411,931	0	0	0	3,411,931
Total undiscounted financial liabilities	45,379,772	0	0	0	45,379,772

The maximum exposure to the Company in relation to the financial guarantee contracts amounts to RM1,106,423 (2014: RM1,653,879), representing the outstanding banking facilities of a joint venture (2014: a subsidiary) at the end of the reporting period. At the reporting date, the counterparty to the financial guarantees has no right to demand cash as no default has occurred.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates

The Group makes estimates concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(ii) Impairment of non-financial assets

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value in use. The value in use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

(b) Critical judgment in applying the Group's accounting policies

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group. There are no critical judgment which may materially affect the reported results and financial position of the Group.

4 SEGMENTAL REPORTING

The Group Managing Director is the Group's Chief Operating Decision-Maker ("CODM"). Management has determined the operating segments based on the information reviewed by the Group Managing Director for the purposes of allocating resources and assessing performance. During the financial year, Maintenance, Repair and Overhaul segment was renamed to Integrated Corrosion Solution and the results of Deleum Rotary Services Sdn. Bhd. ("DRSSB") was reclassified to Power and Machinery ("P&M") segment. Management believes the integration of DRSSB into P&M segment will create more synergy as DRSSB can look into providing inter function support especially in the area of maintenance and repair of generator sets and compressor. Accordingly, prior period segment information had been restated to reflect the change.

The Group is now primarily engaged in the following segments, by nature of business activities:

- Power and Machinery – Mainly consists of:-
  - Sale of gas turbines and related parts, and overhaul of turbines, maintenance and technical services, including complete installation turnkey for new installations, package renewal and retrofit;
  - Supply and commission of combined heat and power plants;
  - Supply, install, repair and maintenance of valves, flow regulators and other production related equipment; and
  - Repair, servicing, maintenance and overhaul of motors, generators, transformers and pumps.

- Oilfield Services ("OS") – Mainly consists of:-
  - Provision of slickline equipment and services;
  - Provision of integrated wellhead maintenance services;
  - Provision of oilfield chemicals, and
  - Provision of drilling equipment and services and other oilfield products and technical services.

- Integrated Corrosion Solution ("ICS") – Mainly consists of:-
  - Provision of integrated corrosion and inspection services, blasting technology and services for tanks, vessels, structures and piping.

- Other non-reportable segment comprises management fees charged to a joint venture which does not meet the quantitative threshold for reporting segment in 2015.

The P&M and OS segments are being managed by four different operating segments within the Group. These operating segments are aggregated to form a reportable segment due to the similar nature and economic characteristics of the products and services.

4 SEGMENTAL REPORTING (CONTINUED)

Segment operating profit or loss is derived from the segment revenue less cost of sales and operating expenses directly attributed to the respective segments and including other income.

Unallocated income comprised mainly interest income earned by the Group. These income are not allocated to the business segments, as these types of activities are driven by the Group treasury function, which manages the cash position of the Group.

Unallocated corporate expenses represent the Group's corporate expenses including depreciation of property, plant and equipment of corporate assets that are not charged to business segments.

Tax expenses and results of joint venture and associates are not allocated to the business segments as they are measured at the entity level.

Unallocated corporate assets represent the Group's corporate assets including property, plant and equipment, investment properties, intangible assets, investment in joint venture and associates, deferred tax assets and tax recoverable that are not allocated by business segments.

Unallocated corporate liabilities represent the Group's corporate liabilities including deferred tax liabilities, taxation and dividend payable that are not allocated by business segments.

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments

	Power and machinery RM	Oilfield services RM	Integrated corrosion solution RM	Group RM
Financial year ended 31 December 2015				
SEGMENT REVENUE				
External revenue	465,939,018	137,941,432	45,243,477	649,123,927
Other non-reportable segment				273,600
				649,397,527
SEGMENT RESULTS				
Segment operating profit	63,810,985	8,292,322	961,936	73,065,243
Other non-reportable segment				13,200
				73,078,443
Profit from operations				73,078,443
Unallocated income				95,444
Unallocated corporate expenses				(8,438,858)
Share of results of a joint venture, net of tax				774,888
Share of results of associates, net of tax				5,642,114
Profit before tax				71,152,031
Tax expense				(16,653,413)
Profit from continuing operations				54,498,618
Profit from discontinued operation (net of tax)				1,040,712
Profit for the year				55,539,330

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery RM	Oilfield services RM	Integrated corrosion solution RM	Group RM
Financial year ended 31 December 2015				
Other information:				
Depreciation and amortisation	1,718,903	23,800,962	1,584,778	27,104,643
Other material non-cash items				
Impairment for doubtful debts	43,144	60,552	532,577	636,273
Write back of impairment for doubtful debts	(23,700)	0	(277,227)	(300,927)
Allowance for slow moving inventories	219,760	0	0	219,760
Reversal of allowance for slow moving inventories	(49,364)	0	0	(49,364)
Revenue contributed by major customers which individually contributed to more than 10% of the Group's total revenue:				
- Customer A	(158,474,322)	(52,913,233)	(32,620,425)	(244,007,980)
- Customer B	(51,715,913)	(39,263,308)	0	(90,979,221)
- Customer C	(79,975,180)	(1,736,676)	0	(81,711,856)
- Customer D	(12,577,881)	(16,009,319)	0	(28,587,200)
Segment assets	253,817,625	280,930,838	33,038,873	567,787,336
Unallocated corporate assets				104,980,701
Total assets				672,768,037
Segment liabilities	142,812,999	155,911,521	20,736,696	319,461,216
Unallocated corporate liabilities				34,317,353
Total liabilities				353,778,569

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery	Oilfield services	Integrated corrosion solution	Group
	Restated		Restated	
	RM	RM	RM	RM
Financial year ended 31 December 2014				
SEGMENT REVENUE				
External revenue	493,066,510	146,472,807	17,733,729	657,273,046
SEGMENT RESULTS				
Segment operating profit/(loss)	64,611,724	28,300,787	(2,028,156)	90,884,355
Profit from operations				90,884,355
Unallocated income				175,003
Unallocated corporate expenses				(12,793,150)
Share of results of associates, net of tax				13,727,331
Profit before tax				91,993,539
Tax expense				(21,359,076)
Profit from continuing operations				70,634,463
Profit from discontinued operation (net of tax)				16,758
Profit for the year				70,651,221

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery	Oilfield services	Integrated corrosion solution	Group
	Restated		Restated	
	RM	RM	RM	RM
Financial year ended 31 December 2014				
Other information:				
Depreciation and amortisation	1,342,015	14,926,259	1,004,852	17,273,126
Other material non-cash items				
Impairment for doubtful debts	359,737	0	568,909	928,646
Write back of impairment for doubtful debts	(306,143)	0	(190,660)	(496,803)
Allowance for slow moving inventories	147,038	0	0	147,038
Reversal of allowance for slow moving inventories	(92,440)	0	0	(92,440)
Provision for liquidated damages	151,465	0	0	151,465
Revenue contributed by major customers which individually contributed to more than 10% of the Group's total revenue:				
- Customer A	(198,133,630)	(61,599,434)	0	(259,733,064)
- Customer B	(68,894,314)	(2,100,858)	0	(70,995,172)
- Customer C	(19,661,275)	(48,010,610)	0	(67,671,885)
- Customer D	(23,621,262)	0	0	(23,621,262)

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery	Oilfield services	Maintenance, repair and overhaul	Group
	Restated		Restated	
	RM	RM	RM	RM
Financial year ended 31 December 2014				
Segment assets	250,273,971	303,991,217	14,098,195	568,363,383
Unallocated corporate assets				74,506,237
Assets classified as held for sale				27,266,013
Total assets				670,135,633
Segment liabilities	135,619,736	201,573,198	5,001,412	342,194,346
Unallocated corporate liabilities				21,032,671
Liabilities classified as held for sale				1,984,939
Total liabilities				365,211,956

(b) Geographical information

The Group's transactions are principally conducted in one geographical segment, Malaysia, as such no segmental information by geographical segment has been disclosed.

5 REVENUE

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Sale of equipment	**195,563,139**	182,013,636	**0**	0
Rendering of services	**444,160,673**	459,937,867	**0**	0
Marketing fee	**9,400,115**	15,321,543	**0**	0
Dividend income	**0**	0	**29,316,655**	41,154,205
Management fee	**273,600**	0	**13,472,900**	13,907,600
	649,397,527	657,273,046	**42,789,555**	55,061,805

6 PROFIT BEFORE TAX

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
The following items have been charged/(credited) in arriving at profit before tax:				
Purchase of products, parts and consumables	**301,418,712**	296,369,829	**0**	0
Cost of services purchased	**97,625,616**	113,911,994	**0**	0
Inter-company interest income	**0**	0	**(96,800)**	(96,800)
Impairment for doubtful debts:				
- Trade receivables				
- impairment made	**636,273**	928,646	**0**	0
- write back of impairment	**(300,927)**	(496,803)	**0**	0
- Other receivables				
- write back of impairment	**(1,500,000)**	0	**(1,500,000)**	0
Amortisation of intangible assets	**903,933**	690,880	**41,540**	28,244
Depreciation:				
- property, plant and equipment	**28,879,528**	21,152,040	**829,370**	692,167
- investment properties	**22,886**	23,576	**0**	0
Fees to PricewaterhouseCoopers Malaysia:				
- statutory audit services				
- current year	**349,920**	374,920	**118,490**	121,100
- under provision in prior year	**0**	5,270	**0**	0
- audit related services	**142,850**	142,930	**142,850**	142,930
- non-audit related services	**184,800**	331,331	**20,300**	51,350
Statutory audit fees to other auditors				
- current year	**76,043**	64,300	**0**	0
Gain on disposal of property, plant and equipment	**(161,840)**	(16,670)	**0**	0

6 PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2015	2014	2015	2014 Restated
	RM	RM	RM	RM
The following items have been charged/(credited) in arriving at profit before tax (continued):				
Impairment loss on investment in subsidiaries	**0**	0	**1,400,000**	8,000,000
Loss/(gain) on foreign exchange:				
- realised	**2,234,325**	(414,172)	**58,458**	(3,639)
- unrealised	**(5,560,322)**	(3,121,441)	**0**	0
Allowance for slow moving inventories	**219,760**	147,038	**0**	0
Reversal of allowance for slow moving inventories	**(49,364)**	(92,440)	**0**	0
Write off:				
- property, plant and equipment	**242,970**	55,210	**1,784**	1,060
- trade receivables	**114,394**	0	**0**	0
- other receivables	**102,334**	0	**0**	0
Provision for liquidated damages	**1,535**	151,465	**0**	0
Interest income	**(1,163,901)**	(1,156,804)	**(1,621,879)**	(904,496)
Rental income	**(524,538)**	(647,391)	**0**	0
Rental expense:				
- business premises	**3,596,231**	3,071,617	**0**	0
- equipment	**22,330,481**	6,932,382	**0**	0
Staff cost (including executive directors' remuneration as disclosed in Note 7)				
- Wages, salaries and others	**76,962,144**	75,190,712	**11,626,697**	11,471,165
- Retirement gratuity	**100,000**	0	**0**	0
- Defined contribution plan	**7,010,553**	8,006,138	**1,090,180**	1,277,259

7 DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by Directors of the Company during the financial year were as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Executive Directors:				
- salaries and bonuses	**1,665,000**	2,255,000	**1,595,000**	1,590,000
- defined contribution plan	**253,880**	372,834	**239,250**	238,500
- retirement gratuity	**100,000**	0	**0**	0
- other emoluments	**11,417**	66,183	**4,314**	23,563
- estimated monetary value of benefits-in-kind	**31,150**	31,150	**31,150**	31,150
Non-executive Directors:				
- fees	**962,000**	930,000	**962,000**	930,000
- other emoluments	**102,736**	144,642	**102,736**	144,642
- estimated monetary value of benefits-in-kind	**70,400**	70,400	**70,400**	70,400
	3,196,583	3,870,209	**3,004,850**	3,028,255

8 FINANCE COST

	Group		Company	
	2015	**2014**	**2015**	**2014**
				Restated
	RM	**RM**	**RM**	**RM**
Interest on revolving credit facility	**1,700,142**	768,590	**1,555,537**	768,590
Interest on term loans	**5,730,355**	3,193,374	**0**	0
Interest on finance lease	**2,639**	4,328	**0**	0
Amortisation cost on financial liabilities	**0**	8,513	**0**	0
	7,433,136	3,974,805	**1,555,537**	768,590

9 TAX EXPENSE

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Income tax expense on continuing operations				
Current tax:				
- Malaysian tax	**17,346,326**	13,339,207	**0**	0
(Over)/Under provision in prior years:				
- Malaysian tax	**(778)**	(7,898)	**0**	23,928
Deferred tax (Note 27):				
- Origination and reversal of temporary differences	**(692,135)**	8,027,767	**(859,211)**	(31,384)
	16,653,413	21,359,076	**(859,211)**	(7,456)

Current income tax is calculated at the statutory rate of 25% of the assessable profit for the year. The statutory tax rate will be reduced to 24% from the current year's statutory rate of 25% effective year of assessment 2016. The computation of the deferred tax as at 31 December 2014 and 2015 has reflected this change.

The explanation of the relationship between tax expense and profit before tax is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	%	**%**	**%**	**%**
Numerical reconciliation between the effective tax rate and the Malaysian tax rate				
Malaysian tax rate	**25**	25	**25**	25
Tax effects of:				
- expenses not deductible for tax purposes	**1**	2	**3**	10
- joint venture and associates results reported net of tax	**(3)**	(4)	**0**	0
- income not subject to tax	**0**	0	**(32)**	(35)
Effective tax rate	**23**	23	**(4)**	0

10 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015	**2014**
	RM	**RM**
Profit from continuing operations attributable to equity holders of the Company	**44,367,089**	59,307,431
Profit from discontinued operation attributable to equity holders of the Company	**1,040,712**	16,758
Profit for the financial year attributable to equity holders of the Company	**45,407,801**	59,324,189
Number of ordinary shares at the beginning of the year	**400,000,000**	150,000,000
Effect of bonus issue	**0**	50,000,000
Effect of share split	**0**	200,000,000
Adjusted weighted average number of ordinary shares	**400,000,000**	400,000,000
Basic earnings per share (sen)		
- From continuing operations	**11.09**	14.83
- From discontinued operation	**0.26**	0.00
	11.35	14.83

10 EARNINGS PER SHARE (CONTINUED)

Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year after adjustments for the effects of all dilutive potential ordinary shares.

	Group	
	2015	**2014**
	RM	**RM**
Profit from continuing operations attributable to equity holders of the Company	**44,367,089**	59,307,431
Profit from discontinued operation attributable to equity holders of the Company	**1,040,712**	16,758
Profit for the financial year attributable to equity holders of the Company	**45,407,801**	59,324,189
Adjusted weighted average number of ordinary shares as per basic earnings per share	**400,000,000**	400,000,000
Effect of potential vesting of LTIP	**2,002,555**	2,002,555
Adjusted weighted average number of ordinary shares	**402,002,555**	402,002,555
Diluted earnings per share (sen)		
- From continuing operations	**11.04**	14.76
- From discontinued operation	**0.26**	0.00
	11.30	14.76

11 DIVIDENDS

The dividends paid or declared by the Company during the financial year are as set out below:

	2015		2014	
	Gross dividend per share sen	**Amount of dividend RM**	**Gross dividend per share sen**	**Amount of dividend RM**
<u>In respect of the financial year ended 31 December 2013</u>				
Second interim single tier dividend, on 150,000,000 ordinary shares, paid on 26 March 2014	**0**	**0**	11.0	16,500,000
<u>In respect of the financial year ended 31 December 2014</u>				
First interim single tier dividend, on 400,000,000 ordinary shares, paid on 25 September 2014	**0**	**0**	2.5	10,000,000
Second interim single tier dividend, on 400,000,000 ordinary shares, paid on 26 March 2015	**5.0**	**20,000,000**	0	0
<u>In respect of the financial year ended 31 December 2015</u>				
First interim single tier dividend, on 400,000,000 ordinary shares, paid on 25 September 2015	**2.0**	**8,000,000**	0	0
		28,000,000		26,500,000

The Directors had on 23 February 2016 declared a second interim single tier dividend of 3.5 sen per share of RM0.50 each in respect of the financial year ended 31 December 2015, totaling RM14,000,000, payable on 25 March 2016.

Total dividend for the financial year ended 31 December 2015 is 5.5 sen (2014: 7.5 sen) based on ordinary shares of 400,000,000 (2014: 400,000,000).

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2015.

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold building	Long term leasehold land	Long term leasehold buildings	Office equipment, furniture & fittings and renovations	Plant, machinery and other equipment	Motor vehicles	Assets under construction	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
Year ended 31 December 2015									
Net book value									
At 1 January 2015	**0**	**0**	**3,466,913**	**4,016,176**	**6,615,854**	**169,713,610**	**1,989,991**	**43,920,585**	**229,723,129**
Additions	**0**	**0**	**0**	**0**	**2,868,976**	**8,863,502**	**83,500**	**14,240,843**	**26,056,821**
Written off	**0**	**0**	**0**	**0**	**(35,873)**	**(207,097)**	**0**	**0**	**(242,970)**
Transfer	**0**	**0**	**0**	**0**	**4,418,710**	**53,608,964**	**0**	**(58,027,674)**	**0**
Disposals	**0**	**0**	**0**	**0**	**0**	**(39,257)**	**(295,169)**	**0**	**(334,426)**
Depreciation charge	**0**	**0**	**(87,758)**	**(180,906)**	**(2,904,449)**	**(24,306,093)**	**(936,878)**	**0**	**(28,416,084)**
At 31 December 2015	**0**	**0**	**3,379,155**	**3,835,270**	**10,963,218**	**207,633,629**	**841,444**	**133,754**	**226,786,470**
At 31 December 2015									
Cost	**0**	**0**	**4,387,284**	**6,152,947**	**29,277,063**	**293,262,912**	**4,385,557**	**133,754**	**337,599,517**
Accumulated depreciation	**0**	**0**	**(1,008,129)**	**(2,317,677)**	**(18,313,845)**	**(85,629,283)**	**(3,544,113)**	**0**	**(110,813,047)**
Net book value	**0**	**0**	**3,379,155**	**3,835,270**	**10,963,218**	**207,633,629**	**841,444**	**133,754**	**226,786,470**
At 31 December 2014									
Cost	0	0	4,387,284	6,152,947	21,831,047	231,570,185	5,377,926	43,920,585	313,239,974
Accumulated depreciation	0	0	(920,371)	(2,136,771)	(15,215,193)	(61,856,575)	(3,387,935)	0	(83,516,845)
Net book value	0	0	3,466,913	4,016,176	6,615,854	169,713,610	1,989,991	43,920,585	229,723,129

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Freehold building	Long term leasehold land	Long term leasehold buildings	Office equipment, furniture & fittings and renovations	Plant, machinery and other equipment	Motor vehicles	Assets under construction	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
Year ended 31 December 2014									
Net book value									
At 1 January 2014	1,040,000	8,271,145	3,554,671	4,197,082	8,693,831	79,554,293	2,667,852	24,779,474	132,758,348
Additions	0	0	0	0	2,827,721	52,446,665	339,850	81,866,445	137,480,681
Written off	0	0	0	0	(21,462)	(33,748)	0	0	(55,210)
Transfer	0	0	0	0	742,894	61,982,440	0	(62,725,334)	0
Disposals	0	0	0	0	(434)	(1,200)	0	0	(1,634)
Depreciation charge	0	(183,625)	(87,758)	(180,906)	(2,695,991)	(16,986,049)	(1,017,711)	0	(21,152,040)
Transfer to assets held for sale (Note 37)	(1,040,000)	(8,087,520)	0	0	(2,930,705)	(7,248,791)	0	0	(19,307,016)
At 31 December 2014	0	0	3,466,913	4,016,176	6,615,854	169,713,610	1,989,991	43,920,585	229,723,129
At 31 December 2014									
Cost	0	0	4,387,284	6,152,947	21,831,047	231,570,185	5,377,926	43,920,585	313,239,974
Accumulated depreciation	0	0	(920,371)	(2,136,771)	(15,215,193)	(61,856,575)	(3,387,935)	0	(83,516,845)
Net book value	0	0	3,466,913	4,016,176	6,615,854	169,713,610	1,989,991	43,920,585	229,723,129
At 31 December 2013									
Cost	1,040,000	9,240,008	4,387,284	6,152,947	28,243,972	133,249,801	5,133,692	24,779,474	212,227,178
Accumulated depreciation	0	(968,863)	(832,613)	(1,955,865)	(19,550,141)	(53,695,508)	(2,465,840)	0	(79,468,830)
Net book value	1,040,000	8,271,145	3,554,671	4,197,082	8,693,831	79,554,293	2,667,852	24,779,474	132,758,348

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Long term leasehold land RM	Long term leasehold buildings RM	Office equipment, furniture & fittings and renovations RM	Motor vehicles RM	Assets under construction RM	Total RM
Company						
Year ended 31 December 2015						
Net book value						
At 1 January 2015	**2,155,338**	**1,126,170**	**503,911**	**546,652**	**0**	**4,332,071**
Additions	**0**	**0**	**298,310**	**0**	**0**	**298,310**
Written off	**0**	**0**	**(1,784)**	**0**	**0**	**(1,784)**
Depreciation charge	**(48,892)**	**(26,190)**	**(308,771)**	**(445,517)**	**0**	**(829,370)**
At 31 December 2015	**2,106,446**	**1,099,980**	**491,666**	**101,135**	**0**	**3,799,227**
At 31 December 2015						
Cost	**2,444,000**	**1,309,500**	**5,352,061**	**2,227,587**	**0**	**11,333,148**
Accumulated depreciation	**(337,554)**	**(209,520)**	**(4,860,395)**	**(2,126,452)**	**0**	**(7,533,921)**
Net book value	**2,106,446**	**1,099,980**	**491,666**	**101,135**	**0**	**3,799,227**
At 31 December 2014						
Cost	2,444,000	1,309,500	5,068,730	2,227,587	0	11,049,817
Accumulated depreciation	(288,662)	(183,330)	(4,564,819)	(1,680,935)	0	(6,717,746)
Net book value	2,155,338	1,126,170	503,911	546,652	0	4,332,071

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Long term leasehold land RM	Long term leasehold buildings RM	Office equipment, furniture & fittings and renovations RM	Motor vehicles RM	Assets under construction RM	Total RM
Company						
Year ended 31 December 2014						
Net book value						
At 1 January 2014	2,204,230	1,152,360	293,051	992,169	13,754	4,655,564
Additions	0	0	369,734	0	0	369,734
Transfer	0	0	13,754	0	(13,754)	0
Written off	0	0	(1,060)	0	0	(1,060)
Depreciation charge	(48,892)	(26,190)	(171,568)	(445,517)	0	(692,167)
At 31 December 2014	2,155,338	1,126,170	503,911	546,652	0	4,332,071
At 31 December 2014						
Cost	2,444,000	1,309,500	5,068,730	2,227,587	0	11,049,817
Accumulated depreciation	(288,662)	(183,330)	(4,564,819)	(1,680,935)	0	(6,717,746)
Net book value	2,155,338	1,126,170	503,911	546,652	0	4,332,071
At 31 December 2013						
Cost	2,444,000	1,309,500	4,686,302	2,227,587	13,754	10,681,143
Accumulated depreciation	(239,770)	(157,140)	(4,393,251)	(1,235,418)	0	(6,025,579)
Net book value	2,204,230	1,152,360	293,051	992,169	13,754	4,655,564

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2015	**2014**
	RM	**RM**
Net book value of property, plant and equipment of the Group pledged as security:		
- freehold land	**0**	1,040,000
- freehold building	**0**	8,087,520
- long term leasehold land	**1,272,711**	1,311,577
- long term leasehold buildings	**1,563,875**	1,687,610
- office equipment, furniture & fittings and renovations	**2,168,481**	1,648,503
- plant, machinery and other equipment	**195,084,495**	159,867,211
- motor vehicles	**279,398**	449,671
- assets under construction	**0**	40,912,522
	200,368,960	215,004,614
Classified under assets held for sale	**0**	(9,509,476)
	200,368,960	205,495,138

The property, plant and equipment above have been pledged as security for borrowings as disclosed in Note 24 and the unutilised banking facilities as at financial year end.

The net book value of motor vehicles acquired under hire purchase arrangement amounted to RM49,650 (2014: RM83,922).

In the previous financial year, the Group acquired plant and equipment amounting to RM137,480,681 of which RM5,885,756 had been paid upfront in the previous financial year.

13 INVESTMENT PROPERTIES

	Group	
	2015 RM	2014 RM
Net book value		
At 1 January	**888,036**	911,612
Depreciation charge	**(22,886)**	(23,576)
At 31 December	**865,150**	888,036
Cost	**1,178,764**	1,178,764
Accumulated depreciation	**(282,151)**	(259,265)
Accumulated impairment loss	**(31,463)**	(31,463)
	865,150	888,036
Fair value of investment properties	**1,156,875**	1,079,750

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2015 RM	2014 RM
Rental income	**85,152**	85,152

There were no direct operating expenses incurred in respect of investment properties as they were borne directly by the lessee.

The investment properties have been pledged as security for the unutilised banking facilities as at financial year end.

The fair value of the investment properties was estimated by Directors using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for difference in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

The Group measures the fair value using the level 3 fair value hierarchy. This level represents unobservable inputs to valuation techniques used to measure fair value.

Description	Valuation technique	Unobservable input	Unobservable input	Relationships of unobservable inputs to fair value
Office lot – Mutiara Bangsar	Sales comparison approach	Price per square metre	RM375	The higher the price per square metre, the higher fair value

14 INTANGIBLE ASSETS

	Goodwill	Contracts	Software costs	Software costs for assets in progress	Total
	RM	RM	RM	RM	RM
Group					
2015					
At 1 January	**108,997**	**860,420**	**1,285,595**	**979,851**	**3,234,863**
Additions	**0**	**0**	**0**	**822,958**	**822,958**
Transfer	**0**	**0**	**1,021,932**	**(1,021,932)**	**0**
Re-charge to a joint venture	**0**	**0**	**0**	**(70,564)**	**(70,564)**
Amortisation	**0**	**(430,210)**	**(465,600)**	**0**	**(895,810)**
At 31 December	**108,997**	**430,210**	**1,841,927**	**710,313**	**3,091,447**
Cost	**108,997**	**3,953,810**	**2,546,286**	**710,313**	**7,319,406**
Accumulated Amortisation	**0**	**(3,523,600)**	**(704,359)**	**0**	**(4,227,959)**
At 31 December	**108,997**	**430,210**	**1,841,927**	**710,313**	**3,091,447**
2014					
At 1 January	108,997	1,290,630	137,381	1,428,235	2,965,243
Additions	0	0	198,564	909,601	1,108,165
Transfer	0	0	1,345,815	(1,345,815)	0
Amortisation	0	(430,210)	(260,670)	0	(690,880)
Transfer to assets held for sale (Note 38)	0	0	(135,495)	(12,170)	(147,665)
At 31 December	108,997	860,420	1,285,595	979,851	3,234,863
Cost	108,997	3,953,810	1,524,354	979,851	6,567,012
Accumulated amortisation	0	(3,093,390)	(238,759)	0	(3,332,149)
At 31 December	108,997	860,420	1,285,595	979,851	3,234,863

14 INTANGIBLE ASSETS (CONTINUED)

	Software costs	Software costs for assets in progress	Total
	RM	RM	RM
Company			
2015			
At 1 January	**116,966**	**67,999**	**184,965**
Additions	**0**	**822,958**	**822,958**
Transfer	**99,333**	**(99,333)**	**0**
Re-charge to subsidiaries	**0**	**(684,029)**	**(684,029)**
Re-charge to a joint venture	**0**	**(70,564)**	**(70,564)**
Amortisation	**(41,540)**	**0**	**(41,540)**
At 31 December	**174,759**	**37,031**	**211,790**
Cost	**244,543**	**37,031**	**281,574**
Accumulated amortisation	**(69,784)**	**0**	**(69,784)**
	174,759	**37,031**	**211,790**
2014			
At 1 January	0	271,333	271,333
Additions	0	909,601	909,601
Transfer	271,930	(271,930)	0
Re-charge to subsidiaries	(126,720)	(841,005)	(967,725)
Amortisation	(28,244)	0	(28,244)
At 31 December	116,966	67,999	184,965
Cost	145,210	67,999	213,209
Accumulated amortisation	(28,244)	0	(28,244)
	116,966	67,999	184,965

15 SUBSIDIARIES

	Company 2015 RM	Company 2014 RM
Unquoted shares at cost	**144,495,308**	173,740,455
Less: Impairment loss	**(9,400,000)**	(8,000,000)
	135,095,308	165,740,455

During the financial year, the Company increased its investment in its subsidiaries by RM130,790 through grant of shares to selected eligible employees of subsidiaries in the Group under the LTIP.

Details of subsidiaries, the Company's effective interest, principal activities and place of business/country of incorporation are set out in Note 33 to the financial statements.

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Penaga Dresser Sdn. Bhd.	Delcom Utilities (Cambodia) Limited	Turboservices Sdn. Bhd.	Other individually immaterial subsidiaries	Total
In RM					
Year ended 31 December 2015					
NCI percentage of ownership interest and voting interest	**49%**	**40%**	**26%**		
Carrying amount of NCI	**14,350,242**	**5,521,475**	**4,267,813**	**2,122,983**	**26,262,513**
Year ended 31 December 2014					
NCI percentage of ownership interest and voting interest	49%	40%	26%		
Carrying amount of NCI	15,047,627	5,660,525	4,357,526	5,063,887	30,129,565

15 SUBSIDIARIES (CONTINUED)

Summarised financial information on subsidiaries with material NCI

Summarised statements of comprehensive income

	Penaga Dresser Sdn. Bhd.		Delcom Utilities (Cambodia) Limited		Turboservices Sdn. Bhd.	
	For the financial year ended 31 December		For the financial year ended 31 December		For the financial year ended 31 December	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	**66,086,003**	52,294,207	**1,197,781**	13,974,747	**380,797,651**	406,118,749
Profit before tax	**21,587,586**	18,847,082	**1,179,763**	13,973,231	**370,410**	3,510,014
Tax expense	**(5,510,823)**	(4,767,501)	**0**	0	**514,364**	(820,113)
Profit for the year	**16,076,763**	14,079,581	**1,179,763**	13,973,231	**884,774**	2,689,901
Other comprehensive income						
Currency translation differences	**0**	0	**732,523**	248,472	**0**	0
Total comprehensive income for the financial year	**16,076,763**	14,079,581	**1,912,286**	14,221,703	**884,774**	2,689,901
Total comprehensive income allocated to NCI	**7,877,614**	6,898,995	**764,914**	5,688,681	**230,041**	699,374
Dividends paid to NCI	**8,575,000**	2,940,000	**1,817,854**	7,180,648	**310,960**	0

15 SUBSIDIARIES (CONTINUED)

Summarised statements of financial position

	Penaga Dresser Sdn. Bhd.		Delcom Utilities (Cambodia) Limited		Turboservices Sdn. Bhd.	
	As at 31 December		As at 31 December		As at 31 December	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Current						
Assets	**45,866,171**	37,759,131	**4,503,935**	1,506,912	**169,809,188**	163,420,947
Liabilities	**(18,765,555)**	(8,991,579)	**(7,812,128)**	(1,212,124)	**(156,886,170)**	(148,439,618)
Total current net assets/(liabilities)	**27,100,616**	28,767,552	**(3,308,193)**	294,788	**12,923,018**	14,981,329
Non-current						
Assets	**2,218,595**	1,978,621	**5,187,780**	4,217,148	**3,491,655**	1,778,388
Liabilities	**(11,042)**	(36,727)	**0**	0	**0**	0
Total non-current net assets	**2,207,553**	1,941,894	**5,187,780**	4,217,148	**3,491,655**	1,778,388
Net assets	**29,308,169**	30,709,446	**1,879,587**	4,511,936	**16,414,673**	16,759,717

15 SUBSIDIARIES (CONTINUED)

Summarised statements of cash flows

	Penaga Dresser Sdn. Bhd.		Delcom Utilities (Cambodia) Limited		Turboservices Sdn. Bhd.	
	For the financial year ended 31 December		For the financial year ended 31 December		For the financial year ended 31 December	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Cash flows from operating activities						
Cash generated from/(used in) operations	**17,325,796**	21,655,019	**183,323**	(449,698)	**41,650,639**	3,447,962
Tax paid	**(5,014,409)**	(4,371,493)	**0**	0	**(556,250)**	(1,537,875)
Interest (paid)/received	**(2,639)**	(4,328)	**0**	0	**517,099**	331,565
Net cash generated from/(used in) operating activities	**12,308,748**	17,279,198	**183,323**	(449,698)	**41,611,488**	2,241,652
Net cash (used in)/generated from investing activities	**(583,877)**	(314,184)	**1,197,781**	13,974,747	**(1,219,377)**	(130,370)
Net cash (used in)/generated from financing activities	**(17,534,573)**	(6,032,884)	**2,972,489**	(17,951,621)	**1,380,727**	(1,275,546)
Net (decrease)/increase in cash and bank balances	**(5,809,702)**	10,932,130	**4,353,593**	(4,426,572)	**41,772,838**	835,736
Foreign currency translation	**0**	170,790	**(238,110)**	900	**3,722,509**	474,629
Cash and bank balances at beginning of the financial year	**24,503,139**	13,400,219	**314,922**	4,740,594	**11,258,925**	9,948,560
Cash and bank balances at end of the financial year	**18,693,437**	24,503,139	**4,430,405**	314,922	**56,754,272**	11,258,925

16 JOINT VENTURE

	Company	
	2015 RM	2014 RM
Unquoted shares at cost	**29,375,937**	0

	Group	
	2015 RM	2014 RM
Group's share of net assets of joint venture	**27,022,189**	0

Turboservices Overhaul Sdn. Bhd. ("TOSB") was a wholly owned subsidiary of the Group. It was incorporated in Malaysia and its main activities included the provision of gas turbine overhaul and maintenance services. In March 2015, the Group entered into a Subscription Agreement with STICO, which resulted in the Group having an equity interest of 80.55%. However, there are certain reserved matters within the Subscription Agreement that require the approval of both parties. Accordingly under current accounting rules and in the opinion of the Directors, TOSB is regarded as a material joint venture and its results and net assets are accounted for under the equity method of accounting.

The capital of TOSB consists of ordinary shares and redeemable convertible preference shares. It is a private company and there is no readily available quoted market price available for its shares.

Summarised statement of comprehensive income

	TOSB	
	For the financial year ended	
	2015 RM	2014 RM
Revenue	**3,929,150**	0
Depreciation	**(1,660,618)**	0
Interest expense	**(70,568)**	0
Interest income	**91,794**	0
Profit before tax	**1,319,283**	0
Tax expense	**(357,286)**	0
Profit for the year/Total comprehensive income for the financial year	**961,997**	0
Interest in joint venture (80.55%)		
Share of results	**774,888**	0

16 JOINT VENTURE (CONTINUED)

Summarised statement of financial position

	TOSB	
	As at 31 December	
	2015 RM	2014 RM
Current		
Cash and bank balances	**5,204,464**	0
Other current assets (excluding cash)	**5,076,029**	0
Total current assets	**10,280,493**	0
Financial liabilities (excluding trade payables)	**(1,570,424)**	0
Other current liabilities (including trade payables)	**(272,870)**	0
Total current liabilities	**(1,843,294)**	0
Non-current		
Assets	**25,288,629**	0
Financial liabilities	**(379,669)**	0
Other liabilities	**(263,749)**	0
Total non-current liabilities	**(643,418)**	0
Net assets	**33,082,410**	0

16 JOINT VENTURE (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint venture.

	TOSB	
	2015 RM	2014 RM
Opening net assets		
1 January	**0**	0
Investment during the year	**26,247,301**	0
Profit for the year	**774,888**	0
Closing net assets	**27,022,189**	0
Interest in joint venture (80.55%)	**27,022,189**	0
Carrying value	**27,022,189**	0

17 ASSOCIATES

	Group	
	2015 RM	2014 RM
Group's share of net assets of associates	**44,750,474**	40,644,930

In the opinion of the Directors, Malaysian Mud and Chemicals Sdn. Bhd. ("MMC") and Cambodia Utilities Pte Ltd ("CUPL") are material associates to the Group. The Group's effective equity interest in the associates, the nature of the relationship and place of business/country of incorporation are set out in Note 33 to the financial statements. The associates have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business.

Both associates are private companies and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in the associates.

The power generating facility operated by CUPL under a build, operate and transfer agreement with Electricite Du Cambodge expired in May 2015. Upon its expiration, the Group will continue to equity account for the results of CUPL until it ceases to be an associate. The share of results from this associate and its contribution to the profit attributable to the shareholders of the Company in the financial year ended 31 December 2015 amounted to RM2,221,293 (2014: RM6,946,848) and RM1,332,776 (2014: RM4,168,109) respectively.

17 ASSOCIATES (CONTINUED)

Summarised statements of comprehensive income

	MMC		CUPL		Total	
	For the financial year ended		For the financial year ended		For the financial year ended	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	**51,123,087**	73,845,734	**27,412,722**	76,078,281	**78,535,809**	149,924,015
Depreciation	**(17,874,115)**	(16,522,400)	**(159,126)**	(159,639)	**(18,033,241)**	(16,682,039)
Interest expense	**(838,654)**	(1,114,525)	**(5,707)**	(13,362)	**(844,361)**	(1,127,887)
Interest income	**0**	0	**125,571**	772,379	**125,571**	772,379
Profit before tax	**14,030,965**	28,398,732	**12,683,405**	38,169,495	**26,714,370**	66,568,227
Tax expense	**(3,340,898)**	(7,209,722)	**(1,576,941)**	(3,435,254)	**(4,917,839)**	(10,644,976)
Profit for the year	**10,690,067**	21,189,010	**11,106,464**	34,734,241	**21,796,531**	55,923,251
Other comprehensive income						
Currency translation differences	**0**	0	**1,259,303**	274,926	**1,259,303**	274,926
Total comprehensive income for the financial year	**10,690,067**	21,189,010	**12,365,767**	35,009,167	**23,055,834**	56,198,177
Interest in associates (32%; 20%)						
Share of results	**3,420,821**	6,780,483	**2,221,293**	6,946,848	**5,642,114**	13,727,331
Dividends received from associate	**3,200,000**	1,708,160	**2,328,092**	12,847,819	**5,528,092**	14,555,979

17 ASSOCIATES (CONTINUED)

Summarised statements of financial position

	MMC		CUPL		Total	
	As at 31 December		As at 31 December		As at 31 December	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Current						
Cash and bank balances	**3,551,820**	4,602,369	**6,797,628**	20,844,457	**10,349,448**	25,446,826
Other current assets (excluding cash)	**45,292,031**	52,992,781	**37,895,861**	14,397,011	**83,187,892**	67,389,792
Total current assets	**48,843,851**	57,595,150	**44,693,489**	35,241,468	**93,537,340**	92,836,618
Financial liabilities (excluding trade payables)	**(11,441,440)**	(9,707,729)	**(3,029,976)**	(3,191,827)	**(14,471,416)**	(12,899,556)
Other current liabilities (including trade payables)	**(9,608,113)**	(30,134,851)	**(4,843,016)**	(7,756,594)	**(14,451,129)**	(37,891,445)
Total current liabilities	**(21,049,553)**	(39,842,580)	**(7,872,992)**	(10,948,421)	**(28,922,545)**	(50,791,001)
Non-current						
Assets	**101,121,776**	113,685,279	**0**	1,226,831	**101,121,776**	114,912,110
Financial liabilities	**0**	(7,850,000)	**0**	(122,995)	**0**	(7,972,995)
Other liabilities	**(12,083,651)**	(12,445,493)	**0**	0	**(12,083,651)**	(12,445,493)
Total non-current liabilities	**(12,083,651)**	(20,295,493)	**0**	(122,995)	**(12,083,651)**	(20,418,488)
Net assets	**116,832,423**	111,142,356	**36,820,497**	25,396,883	**153,652,920**	136,539,239

17 ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates.

	MMC		CUPL		Total	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Opening net assets						
1 January	**111,142,356**	99,953,346	**25,396,883**	59,188,200	**136,539,239**	159,141,546
Profit for the year	**10,690,067**	21,189,010	**11,106,465**	34,734,241	**21,796,532**	55,923,251
Other comprehensive income	**0**	0	**1,259,303**	274,926	**1,259,303**	274,926
Foreign exchange differences	**0**	0	**5,037,214**	1,099,704	**5,037,214**	1,099,704
Dividends	**(5,000,000)**	(10,000,000)	**(5,979,368)**	(69,900,188)	**(10,979,368)**	(79,900,188)
Closing net assets	**116,832,423**	111,142,356	**36,820,497**	25,396,883	**153,652,920**	136,539,239
Interest in associates (32%; 20%)	**37,386,375**	35,565,554	**7,364,099**	5,079,376	**44,750,474**	40,644,930
Carrying value	**37,386,375**	35,565,554	**7,364,099**	5,079,376	**44,750,474**	40,644,930

18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2015 RM	2014 RM
Amounts due from subsidiaries	**97,848,456**	85,627,754
Amounts due to subsidiaries	**(22,461,856)**	(15,667,841)

Included in amounts due from subsidiaries are amounts due from a subsidiary amounting to RM2,200,000 (2014: RM2,200,000) in relation to finance the purchase of equipment. These amounts are unsecured, charged interest at 4.4% per annum (2014: 4.4% per annum) and are repayable on demand.

Except as mentioned above, the amounts due from/(to) subsidiaries are unsecured, interest free and are repayable/payable on demand.

Amounts due from/(to) subsidiaries are denominated in Ringgit Malaysia.

19 INVENTORIES

	Group	
	2015 RM	2014 RM
At cost:		
Raw materials	**1,308,727**	1,214,942
Finished goods	**19,614,862**	27,400,190
	20,923,589	28,615,132
Less: Allowance for slow moving inventories	**(679,009)**	(459,249)
Add: Reversal of allowance for slow moving inventories	**195,834**	146,470
	20,440,414	28,302,353

20 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Retention sum	**2,239,307**	69,564	**0**	0
Accrued revenue	**69,630,014**	96,385,269	**0**	0
Trade receivables	**105,814,903**	132,134,526	**0**	0
	177,684,224	228,589,359	**0**	0
Less: Impairment for doubtful debts	**(2,217,364)**	(1,922,108)	**0**	0
Trade receivables, net	**175,466,860**	226,667,251	**0**	0
Other receivables	**13,838,662**	15,868,714	**3,946,946**	3,817,056
Less: Impairment for doubtful debts	**(2,300,000)**	(3,800,000)	**(2,300,000)**	(3,800,000)
	11,538,662	12,068,714	**1,646,946**	17,056
Deposits	**1,696,786**	1,260,096	**87,250**	31,447
Prepayments	**5,415,831**	4,364,534	**762,749**	577,538
	18,651,279	17,693,344	**2,496,945**	626,041
	194,118,139	244,360,595	**2,496,945**	626,041

20 TRADE AND OTHER RECEIVABLES (CONTINUED)

The currency profile of trade receivables is as follows:

	Group	
	2015	**2014**
	RM	**RM**
- Ringgit Malaysia	**84,273,233**	68,570,650
- US Dollar	**91,193,627**	158,096,601
	175,466,860	226,667,251

Credit terms of trade receivables range from 30 to 60 days (2014: 30 to 60 days) and trade receivables are non-interest bearing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

71% of the Group's trade receivables as at 31 December 2015 (2014: 62%) relates to 6 (2014: 6) main customers while the remaining balance is spread over a large number of customers. The major customers are primarily players in the oil and gas industry.

Ageing Analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015	**2014**
	RM	**RM**
Neither past due nor impaired	**155,369,621**	194,504,538
1 to 30 days past due not impaired	**10,985,840**	13,126,631
31 to 60 days past due not impaired	**2,663,727**	8,532,427
61 to 90 days past due not impaired	**2,232,569**	3,731,557
91 to 120 days past due not impaired	**3,278,442**	5,917,020
More than 121 days past due not impaired	**936,661**	855,078
Past due and impaired:		
61 to 90 days past due and impaired	**60,552**	0
More than 121 days	**2,156,812**	1,922,108
	177,684,224	228,589,359
Less: Impairment for doubtful debts	**(2,217,364)**	(1,922,108)
	175,466,860	226,667,251

20 TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are debtors with good payment history. A number of these debtors are from the oil and gas industry. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM20,097,239 (2014: RM32,162,713) that are past due at the reporting date but not impaired. The receivable balances are unsecured in nature. These balances relate mainly to customers who have good payment history.

Movement in impairment for doubtful debts is as follows:

	Group	
	2015 RM	**2014 RM**
Trade receivables		
At 1 January	**1,922,108**	1,490,265
Impairment made during the year	**636,273**	928,646
Written off during the year	**(40,090)**	0
Reversal of impairment losses	**(300,927)**	(496,803)
At 31 December	**2,217,364**	1,922,108
Other receivables		
At 1 January	**3,800,000**	3,800,000
Reversal of impairment losses	**(1,500,000)**	0
At 31 December	**2,300,000**	3,800,000

All impaired trade receivables are individually determined. These impaired receivables are from customers who are in financial difficulties and have defaulted on payments. These receivables are not secured by collateral or credit enhancements.

In the previous financial year, the trade receivables of subsidiaries totalling RM80,930,926 had been pledged as security for borrowings as disclosed in Note 24 and the unutilised banking facilities as at financial year end.

The impaired other receivables relate to earnest deposit paid for the proposed subscription for new shares in a group of companies. The proposed subscription had been terminated during the previous financial year. The entire sum of the earnest deposit was impaired in view of the uncertainty on the collectability of the amount. On the hearing of the Winding Up Petition on 12 February 2016, the Company received RM1,500,000 out of the entire earnest deposit and such amount was reversed from the impairment losses. The Court on the aforesaid hearing date had directed that unless the balance of the Judgement Sum together with interest and costs (which is to be agreed by the parties) is settled before or at the adjourned hearing which is fixed on 25 April 2016, the Court will proceed with the hearing of the Winding Up Petition.

21 AMOUNTS DUE FROM/(TO) ASSOCIATES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Amounts due from associates	**1,615,602**	4,334,709	**2,341**	2,341
Amounts due to an associate	**(7,517,125)**	0	**0**	0

The amounts due from/(to) associates are non-trade in nature, unsecured, interest free, repayable/payable on demand.

The amounts due from associates are in relation to payments made on behalf for operating expenses. As at the financial year ended 31 December 2015, the amount includes dividend receivable of RM1,600,000 (2014: RM4,323,218).

The amounts due to an associate are in relation to advances received.

22 AMOUNTS DUE FROM/(TO) A JOINT VENTURE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Amounts due from a joint venture	**177,221**	0	**162,165**	0
Amounts due to a joint venture	**(299,050)**	0	**0**	0

The amounts due from/(to) a joint venture are unsecured, interest free, repayable/payable on demand and are denominated in Ringgit Malaysia.

23 CASH AND BANK BALANCES

	Group		Company	
	2015	2014	2015	2014 Restated
	RM	RM	RM	RM
Cash and cash equivalents	**123,830,695**	75,015,967	**4,379,992**	9,603,965
Add:				
Cash held in trust for dividends	**74,008**	33,291	**74,008**	33,291
Cash held in a designated account	**5,307,575**	689,538	**0**	0
Deposits pledged as security	**5,500,000**	0	**0**	0
Total cash and bank balances	**134,712,278**	75,738,796	**4,454,000**	9,637,256
Represented by:				
Deposits with licensed banks	**96,909,786**	57,098,543	**3,950,000**	9,400,000
Cash and bank balances	**37,802,492**	18,640,253	**504,000**	237,256
Total cash and bank balances	**134,712,278**	75,738,796	**4,454,000**	9,637,256

The currency profile of cash and bank balances is as follows:

	Group		Company	
	2015	2014	2015	2014 Restated
	RM	RM	RM	RM
- Ringgit Malaysia	**78,243,116**	59,352,860	**4,454,000**	9,637,256
- US Dollar	**56,356,881**	16,289,517	**0**	0
- Euro	**932**	879	**0**	0
- Singapore Dollar	**90,333**	78,846	**0**	0
- Hong Kong Dollar	**21,016**	16,694	**0**	0
	134,712,278	75,738,796	**4,454,000**	9,637,256

The range of interest rate (per annum) and maturity periods of the deposits are as follows:

	Group		Company	
	2015	2014	2015	2014
Interest rate (%)	**0.06 – 2.91**	0.07 – 3.00	**2.40 – 2.91**	2.00 – 3.00
Maturities (days)	**1 – 31**	1 – 44	**1 – 30**	1 – 30

Cash held in a designated account is required by the terms of the term loans undertaken by a subsidiary company (Note 24).

24 BORROWINGS

	Group		Company	
	2015 **RM**	**2014** **RM**	**2015** **RM**	**2014** **RM**
Revolving credits	**32,800,000**	32,300,000	**30,800,000**	26,300,000
Finance lease liabilities	**36,727**	71,300	**0**	0
Term loan	**104,549,123**	122,999,142	**0**	0
Islamic term financing long term non-interest bearing facilities (Note 26)	**0**	0	**0**	0
	137,385,850	155,370,442	**30,800,000**	26,300,000
Less: amount repayable within 12 months				
Revolving credits	**(32,800,000)**	(32,300,000)	**(30,800,000)**	(26,300,000)
Finance lease liabilities	**(25,685)**	(34,573)	**0**	0
Term loan	**(24,599,828)**	(18,449,871)	**0**	0
Islamic term financing long term non-interest bearing facilities (Note 26)	**0**	0	**0**	0
	(57,425,513)	(50,784,444)	**(30,800,000)**	(26,300,000)
Amount repayable after 12 months	**79,960,337**	104,585,998	**0**	0

(a) Term loan (secured)

The above term loan was structured as follows:

	Group	
	2015 **RM**	**2014** **RM**
Term loan	**104,549,123**	122,999,142

On 29 October 2013, a subsidiary of the Group drew down a term loan to part finance the purchase of slickline equipment and tools. The total draw down was RM122,999,142. The term loan is secured by an “all monies” first legal charge over machinery of slickline equipment and tools of the subsidiary as disclosed in Note 12 and corporate guarantee for RM123,000,000 furnished by another subsidiary of the Group.

The tenure of the term loan is 5 years and it carries an interest of 4.92% per annum (0.85% per annum above the bank’s cost of funds of 4.07%) (2014: 5.03%). The loan is repayable by way of 60 monthly principal instalments of RM2,049,986. The first instalment commences on the 18th month from the date of the first drawdown or the 6th month from the date of the full drawdown, whichever is earlier. The first instalment payment was made in April 2015.

The fair value of the term loan approximates its carrying amount due to floating rate instruments.

Under the loan covenant, the subsidiary is required to open an escrow account under its own name. A minimum of two instalments (principal and interest) must be maintained at all time in that account. The balance in the escrow account as at 31 December 2015 was RM5,307,575 (2014: RM689,538) (Note 23).

24 BORROWINGS (CONTINUED)

(a) Term loan (secured) (continued)

The periods in which the term loan of the Group attain maturity are as follows:

	Group	
	2015 RM	**2014 RM**
Not later than 1 year	**24,599,828**	18,449,871
Later than 1 year but not later than 2 years	**24,599,828**	24,599,828
Later than 2 years but not later than 5 years	**55,349,467**	73,799,485
Later than 5 years	**0**	6,149,958
	104,549,123	122,999,142

(b) Revolving credit (unsecured)

The revolving credit facility was draw down to part finance the purchase of additional slickline equipment and tools and for working capital requirements. The amount was rolled-over on a monthly basis at an average rate of 4.82% (1.20% per annum above the bank's cost of fund). The interest is fixed at the date of each draw down and subsequently revised at the commencement of each roll-over period. No securities have been pledged under this facility.

The fair value of the revolving credit approximates its carrying amount due to it being a floating rate instrument.

(c) Loans against import (unsecured)

The loans against import facility was draw down to finance the import of inventories. The facility carry an interest rate of 5.53% (1.15% per annum above the bank's cost of fund). No securities have been pledged under this facility. The loans against import were fully settled as at the financial year end.

The fair value of the loans against import approximates its carrying amount due to it being a floating rate instrument.

24 BORROWINGS (CONTINUED)

(d) Finance lease liabilities

	Group	
	2015 RM	2014 RM
Future minimum lease payments		
Not later than 1 year	**26,753**	37,212
Later than 1 year but not later than 2 years	**11,212**	26,753
Later than 2 years but not later than 5 years	**0**	11,212
	37,965	75,177
Less: Future finance charges	**(1,238)**	(3,877)
Present value of finance lease liabilities	**36,727**	71,300
Analysis of present value of finance lease liabilities		
Not later than 1 year	**25,685**	34,573
Later than 1 year but not later than 2 years	**11,042**	25,685
Later than 2 years but not later than 5 years	**0**	11,042
	36,727	71,300

The finance lease liabilities bear interests of 2.55% to 2.56% per annum (2014: 2.55% to 2.56% per annum).

25 TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables	**144,471,099**	135,440,908	**0**	0
Other payables	**16,681,714**	22,460,563	**1,085,461**	948,100
Staff related accruals	**9,042,097**	13,301,296	**1,792,695**	2,243,735
Other accruals	**7,520,193**	11,175,650	**1,543,520**	484,443
	16,562,290	24,476,946	**3,336,215**	2,728,178
	33,244,004	46,937,509	**4,421,676**	3,676,278
	177,715,103	182,378,417	**4,421,676**	3,676,278

25 TRADE AND OTHER PAYABLES (CONTINUED)

The currency profile of trade payables is as follows:

	Group	
	2015 RM	2014 RM
- Ringgit Malaysia	**33,282,018**	18,601,667
- US Dollar	**111,035,287**	116,506,010
- Singapore Dollar	**7,300**	280,999
- Euro	**146,494**	52,232
	144,471,099	135,440,908

Credit terms of payment granted by the suppliers of the Group are 30 to 45 days (2014: 30 to 45 days).

26 FINANCIAL GUARANTEE LIABILITIES

	Group and Company	
	2015 RM	2014 RM
Financial guarantee contracts	**26,779**	47,946

The financial guarantee amount relates to corporate guarantees provided by the Company to a bank for Islamic term financing long term non-interest bearing facilities taken by a joint venture (2014: subsidiary) (Note 24).

The Islamic term financing long term non-interest bearing facilities balances are as follows:

	Group	
	2015 RM	2014 RM
Not later than 1 year	**0**	610,675
Later than 1 year but not later than 2 years	**0**	610,675
Later than 2 years but not later than 5 years	**0**	432,529
	0	1,653,879
Transfer to liabilities held for sale	**0**	(1,653,879)
	0	0

In the previous financial year, the facilities bear profit sharing margins of 6.55% to 7.00% per annum as at the financial year end and are secured by a first party fixed charge on the property and a debenture over the equipment of the respective subsidiary as disclosed in Notes 12 and 38 and corporate guarantee for RM7,000,000 furnished by the Company.

The fair value amount of the Islamic term financing long term non-interest bearing facilities at the end of previous reporting date was RM1,648,136.

27 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority.

Deferred tax assets are recognised for tax losses carried forward to the extent the realisation of the benefit through future taxable profit are probable.

The following amounts, determined after appropriate offsetting, are shown on the statements of financial position:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Deferred tax assets	**6,305,754**	2,839,249	**1,024,829**	165,618
Deferred tax liabilities	**(18,662,483)**	(15,888,113)	**0**	0

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
At 1 January	**(13,048,864)**	(5,005,429)	**165,618**	134,234
(Charged)/credited to profit or loss (Note 9)				
- property, plant and equipment	**(3,304,317)**	(6,842,813)	**72,001**	28,550
- unutilised tax losses	**2,036,784**	1,277,533	**239,839**	0
- deferred cost	**193,711**	1,250,867	**0**	0
- deferred revenue	**(248,209)**	(2,955,968)	**0**	0
- intangible assets*	**106,928**	106,914	**0**	0
- accruals	**1,815,819**	0	**545,200**	0
- others	**91,419**	(864,300)	**2,171**	2,834
	692,135	(8,027,767)	**859,211**	31,384
Included in discontinued operation and disposal group held for sale				
- property, plant and equipment	**0**	639,571	**0**	0
- unutilised tax losses	**0**	(655,239)	**0**	0
At 31 December	**(12,356,729)**	(13,048,864)	**1,024,829**	165,618

27 DEFERRED TAX (CONTINUED)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deferred tax assets (before offsetting)				
Property, plant and equipment	**4,375,514**	3,866,093	**224,723**	213,319
Unutilised tax losses	**4,383,324**	2,346,540	**239,839**	0
Deferred revenue	**2,193,550**	2,441,759	**0**	0
Accruals	**1,815,819**	0	**545,200**	0
Others	**1,233,756**	2,649,119	**15,067**	12,896
	14,001,963	11,303,511	**1,024,829**	226,215
Less: Offsetting	**(7,696,209)**	(8,464,262)	**0**	(60,597)
Deferred tax assets (after offsetting)	**6,305,754**	2,839,249	**1,024,829**	165,618
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	**(22,750,702)**	(18,936,964)	**0**	60,597
Deferred cost	**(2,285,123)**	(2,478,834)	**0**	0
Intangible assets*	**(106,952)**	(213,880)	**0**	0
Others	**(1,215,915)**	(2,722,697)	**0**	0
	(26,358,692)	(24,352,375)	**0**	60,597
Less: Offsetting	**7,696,209**	8,464,262	**0**	(60,597)
Deferred tax liabilities (after offsetting)	**(18,662,483)**	(15,888,113)	**0**	0

* This includes intangible assets arising from acquisition of subsidiary.

28 SHARE CAPITAL

	Group and Company	
	2015 RM	2014 RM
Authorised ordinary shares of RM0.50 each:		
At 1 January/31 December	**500,000,000**	500,000,000
Issued and fully paid ordinary shares of RM0.50 each:		
At 1 January	**200,000,000**	150,000,000
Bonus issue	**0**	50,000,000
At 31 December	**200,000,000**	200,000,000

On 17 June 2014, the issued and paid-up share capital of the Company was increased by RM50,000,000 from RM150,000,000 to RM200,000,000 by way of bonus issue of 50,000,000 new ordinary shares of RM1.00 each in the Company, credited as fully paid-up, on the basis of one (1) new ordinary share of RM1.00 each for every three (3) existing ordinary shares of RM1.00 each held by shareholders of the Company.

On the same day, the issued and paid-up share capital of every one (1) existing ordinary share of RM1.00 each was subdivided into two (2) new ordinary shares of RM0.50 each. Pursuant to the subdivision, 200,000,000 ordinary shares of RM1.00 each of the Company were subdivided into 400,000,000 ordinary shares of RM0.50 each.

The new ordinary shares allotted and issued, rank pari passu in all respects with the existing ordinary shares of the Company except that they were not entitled to participate in any dividends, rights, allotments and/or any other distributions whose entitlement date preceded the allotment date the of bonus issue and share split.

29 SHARE BASED PAYMENT

The Long-Term Incentive Plan ("LTIP") allows the Company to grant shares under the scheme to Directors of the Company acting in an executive capacity and key employees of the Group and the Company of up to 10% of the issued and paid-up share capital of the Company (excluding treasury shares, if any). The LTIP is governed by the By-Laws which was approved by shareholders on 27 May 2014 and is administered by the Plan Committee which is appointed by the Board of Directors, in accordance with the By-Laws. The LTIP shall be in force for a period of 10 years commencing 10 October 2014.

The LTIP comprises the Restricted Share Incentive Plan ("RS Award") and Performance Share Incentive Plan ("PS Award"). The salient features of the LTIP, inter alia, are as follows:

(a) Any Executive Director of the Company or key employees of the Group shall be eligible to be considered for the awards if that person meets the eligibility criteria, amongst others, holding a senior management or key position within the Group whose service or employment has been confirmed in writing.

(b) The maximum number of LTIP shares which may be made available under the LTIP shall not be more than in aggregate 10% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares, if any) at any point in time when the award is made during the duration of the LTIP.

(c) The total number of LTIP shares that may be awarded to any one of the selected eligible employees under the LTIP at any time shall be at the discretion of the Plan Committee in accordance with the By-Laws of the LTIP.

(d) The LTIP shares to be allotted and issued pursuant to the LTIP shall upon allotment and issuance, rank pari passu in all respects with the then existing ordinary shares in the Company in issue and shall be entitled to any rights, dividends, allotments and/or distributions attached thereto and/or which may be declared, made or paid to the Company's shareholders, provided that the relevant allotment date of such LTIP shares is before the entitlement date of such rights, dividends, allotments and/or distributions.

29 SHARE BASED PAYMENT (CONTINUED)

The movement during the financial year in the number of shares in which employees of the Group and the Company is entitled to are as follows:

Date of 1st Grant	Type of Grant	At 1.1.2015	Granted	Forfeited	At 31.12.2015
2 March 2015	RS Award	0	1,254,300	(150,300)	1,104,000
	PS Award	0	1,142,200	(101,200)	1,041,000

The vesting period for the 1st Grant is as follows:

RS Award - One-third annually from the date of 1st Grant over 3 years, with the first vesting commencing on 2 March 2016 or such other date to be determined by the Plan Committee.

PS Award - Over 3 years from the date of 1st Grant, with vesting on 2 March 2018 or such other date to be determined by the Plan Committee.

The fair value of the shares under the LTIP to which MFRS 2 applies was determined using the Monte Carlo simulation model. The significant inputs into the model were as follows:

	1st Grant
Date of grant	2 March 2015
Fair value at grant date	RM1.51
Vesting period	3 years
Weighted average share price at grant date	RM1.72
Expected dividend yield	4.70%
Risk free interest rates	3.51%
Expected volatility	41.83%

The expected life of the shares is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the shares granted were incorporated into the measurement of fair value.

30 MERGER DEFICIT

	Group 2015 RM	Group 2014 RM
Arising from the Company's business combination with Deleum Services Sdn. Bhd.	**50,000,000**	50,000,000

Merger deficit represents the excess of the nominal value of the shares of the Company being allotted of RM60,000,000 over the nominal value of the share capital of Deleum Services Sdn. Bhd. acquired of RM10,000,000.

31 FINANCIAL INSTRUMENTS

Financial instruments by category

<u>Year ended 31 December 2015</u>

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
Group			
Assets			
Trade and other receivables (excluding prepayments and GST receivables)	**188,455,184**	**0**	**188,455,184**
Amounts due from associates	**1,615,602**	**0**	**1,615,602**
Amounts due from a joint venture	**177,221**	**0**	**177,221**
Cash and bank balances	**134,712,278**	**0**	**134,712,278**
	324,960,285	**0**	**324,960,285**
Liabilities			
Trade and other payables (excluding statutory obligations)	**0**	**171,366,567**	**171,366,567**
Amounts due to associates	**0**	**7,517,125**	**7,517,125**
Amounts due to a joint venture	**0**	**299,050**	**299,050**
Borrowings	**0**	**137,385,850**	**137,385,850**
Financial guarantee liabilities	**0**	**26,779**	**26,779**
	0	**316,595,371**	**316,595,371**

31 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

Year ended 31 December 2015

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
Company			
Assets			
Trade and other receivables (excluding prepayments and GST receivables)	1,614,173	0	1,614,173
Amounts due from subsidiaries	97,848,456	0	97,848,456
Amounts due from associates	2,341	0	2,341
Amounts due from a joint venture	162,165	0	162,165
Cash and bank balances	4,379,992	0	4,379,992
	104,007,127	0	104,007,127
Liabilities			
Other payables and accruals (excluding statutory obligations)	0	4,293,420	4,293,420
Amounts due to subsidiaries	0	22,461,856	22,461,856
Borrowings	0	30,800,000	30,800,000
Financial guarantee liabilities	0	26,779	26,779
	0	57,582,055	57,582,055

31 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

Year ended 31 December 2014

	Loans and receivables	Other financial liabilities at amortised cost	Total
	RM	RM	RM
Group			
Assets			
Trade and other receivables (excluding prepayments)	242,038,018	0	242,038,018
Amounts due from associates	4,334,709	0	4,334,709
Cash and bank balances	81,439,654	0	81,439,654
	327,812,381	0	327,812,381
Liabilities			
Trade and other payables (excluding statutory obligations)	0	179,533,842	179,533,842
Borrowings	0	157,024,321	157,024,321
	0	336,558,163	336,558,163
Company			
Assets			
Trade and other receivables (excluding prepayments)	48,503	0	48,503
Amounts due from subsidiaries	85,627,754	0	85,627,754
Amounts due from associates	2,341	0	2,341
Cash and bank balances	9,603,965	0	9,603,965
	95,282,563	0	95,282,563
Liabilities			
Other payables and accruals (excluding statutory obligations)	0	3,411,931	3,411,931
Amounts due to subsidiaries	0	15,667,841	15,667,841
Borrowings	0	26,300,000	26,300,000
Financial guarantee liabilities	0	47,946	47,946
	0	45,427,718	45,427,718

32 SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group 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 parties 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. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

(a) The following transactions are with subsidiaries of the Company

	Company	
	2015	**2014**
	RM	**RM**
- Management fees	**13,472,900**	13,907,600
- Dividend income	**29,316,655**	41,154,205
- Inter-company interest income	**96,800**	96,800
- Re-charge of expenses	**6,759,278**	4,537,820

(b) The following transactions are with a party related to a corporate shareholder of a subsidiary, Turboservices Sdn. Bhd.

	Group	
	2015	**2014**
	RM	**RM**
Solar Turbines International Company		
- Purchases	**276,523,051**	319,743,818
- Technical fees	**1,056,410**	1,782,282

Significant outstanding balance arising from the above transactions during the financial year is as follows:

	Group	
	2015	**2014**
	RM	**RM**
Amount due to Solar Turbines International Company	**83,365,232**	48,040,188

32 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) The following transactions are with the corporate shareholder and affiliate companies of a corporate shareholder of a subsidiary of the Group, Penaga Dresser Sdn. Bhd.

	Group	
	2015 RM	**2014 RM**
Purchases from Dresser Italia S.R.L	**16,366**	128,884
Purchases from related parties of Dresser Italia S.R.L	**29,948,874**	19,144,667
	29,965,240	19,273,551

Significant outstanding balance arising from the above transactions during the financial year is as follows:

	Group	
	2015 RM	**2014 RM**
Amount due to related parties of Dresser Italia S.R.L	**7,903,052**	3,555,414

(d) The following transaction is with Tan Sri Dato' Seri Abdul Ghani bin Abdul Aziz, a former director of the Company and the subsidiaries of the Group, Delcom Holdings Sdn. Bhd. and Penaga Dresser Sdn. Bhd.

	Group	
	2015 RM	**2014 RM**
Purchase of shares in Delcom Holdings Sdn. Bhd.	**3,169,000**	0

32 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(e) TOSB is a joint venture between the Company and Solar Turbines International Company ("STICO") and the related party transactions during the year are as follows:

	Group	
	2015 RM	**2014 RM**
Sales to STICO	**4,915,366**	0
Rental income from affiliate company of STICO	**620,676**	0
	5,536,042	0

	Company	
	2015 RM	**2014 RM**
Management fees	**273,600**	0
Re-charge of expenses	**176,070**	0

Significant outstanding balance arising from the above transactions during the financial year is as follows:

	Group	
	2015 RM	**2014 RM**
Amount due from STICO	**1,062,435**	0

(f) The remuneration of key management personnel during the financial year are as follows:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Directors' fees	**962,000**	930,000	**962,000**	930,000
Salaries and bonuses	**7,380,593**	10,763,214	**1,928,400**	1,571,000
Defined contribution plans	**983,706**	1,385,255	**268,734**	224,298
Retirement gratuity	**100,000**	0	**0**	0
Other remuneration	**804,189**	720,153	**83,079**	170,760
Share based payment	**206,323**	0	**75,530**	0
Estimated monetary value of benefits-in-kind	**495,065**	497,577	**221,877**	192,195
	10,931,876	14,296,199	**3,539,620**	3,088,253

The above are inclusive of directors' remuneration as disclosed in Note 7 to the financial statements.

33 CORPORATIONS IN THE GROUP

The Group's effective equity interest in the subsidiaries, joint venture and associates, their respective principal activities and country of incorporation are as follows:

Name of Company	Place of business/ Country of incorporation	Group's effective equity interest 2015 %	2014 %	Principal activities
SUBSIDIARIES:				
Deleum Services Sdn. Bhd.	Malaysia	**100**	100	Provision of gas turbines packages, maintenance and technical services, combined heat and power plants, and production related equipment and services predominantly for the oil and gas industry.
Deleum Services Holdings Limited *	Hong Kong	**100**	100	Investment holding.
Turboservices Overhaul Sdn. Bhd. #	Malaysia	**0**	100	Provision of gas turbine overhaul and maintenance services.
Delflow Solutions Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Subsidiaries of Deleum Services Sdn. Bhd.				
Deleum Oilfield Services Sdn. Bhd.	Malaysia	**100**	100	Provision of slickline equipment and services, integrated wellhead maintenance services, oilfield chemicals, drilling equipment and services, and other oilfield related products and services for the oil and gas industry.
Turboservices Sdn. Bhd.	Malaysia	**74**	74	Provision of gas turbine overhaul and technical services and supply of gas turbine parts to the oil and gas industry.
VSM Technology Sdn. Bhd.	Malaysia	**90**	90	Dormant.
Deleum Chemicals Sdn. Bhd.	Malaysia	**100**	100	Development and provision of solid deposit removal solutions for enhancement of crude oil production and the supply of oilfield chemicals and services to the oil and gas industry.
Wisteria Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Delcom Holdings Sdn. Bhd. +	Malaysia	**100**	80	Investment holding.
Deleum Rotary Services Sdn. Bhd.	Malaysia	**100**	100	Servicing, repair and and maintenance of motors, generators, transformers, pumps and valves.
Sledgehammer Malaysia Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Deleum Primera Sdn. Bhd.	Malaysia	**60**	60	Provision of integrated corrosion and inspection services, blasting technology and services for tanks, vessels, structures and piping.

33 CORPORATIONS IN THE GROUP (CONTINUED)

Name of Company	Place of business/ Country of incorporation	Group's effective equity interest 2015 %	2014 %	Principal activities
SUBSIDIARIES (CONTINUED):				
Subsidiaries of Delcom Holdings Sdn. Bhd.				
Penaga Dresser Sdn. Bhd. *	Malaysia	**51**	41	Supply, repair, maintenance and installation of valves and flow regulators for the oil and gas industry.
Subsidiaries of Delcom Services Holdings Limited				
Delcom Utilities (Cambodia) Limited *	British Virgin Islands	**60**	60	Investment holding.
Delcom Power (Cambodia) Limited *	British Virgin Islands	**60**	60	Dormant.

Name of Company	Place of business/ Country of incorporation	Group's effective equity interest 2015 %	2014 %	Nature of the relationship
JOINT VENTURE				
Joint venture of Deleum Berhad				
Turboservices Overhaul Sdn. Bhd. #	Malaysia	**80.55**	0	Overhaul of gas turbine and maintenance services to oil and gas companies.
ASSOCIATES				
Associate of Deleum Services Sdn. Bhd.				
Malaysian Mud and Chemicals Sdn. Bhd.*	Malaysia	**32**	32	Operation of a bulking installation, offering dry and liquid bulking services to offshore oil and gas companies.
Associate of Delcom Utilities (Cambodia) Limited				
Cambodia Utilities Pte Ltd ^	Cambodia	**12@**	12@	Maintain and operate a power plant in Cambodia in line with the power generation business.

^ Audited by member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers Malaysia.

* Corporations not audited by PricewaterhouseCoopers Malaysia or member firm of PricewaterhouseCoopers International Limited.

@ Deemed as associate as significant influence is exercised by the Group by virtue of the 20% voting rights held by the Group and Board representation.

\# On 30 March 2015, the Group entered into a Subscription Agreement with STICO which resulted in Turboservices Overhaul Sdn. Bhd. becoming a joint venture of the Group.

\+ On 1 September 2015, the Group acquired an additional 20% interest in Delcom Holdings Sdn. Bhd., increasing its ownership from 80% to 100%.

34 OPERATING LEASE COMMITMENTS

The Group has lease commitments in respect of rented premises which are classified as operating leases. A summary of the non-cancellable long-term commitments is as follows:

	Group	
	2015 RM	2014 RM
Within one year	**667,208**	660,028
Between two to five years	**771,300**	432,000
More than five years	**9,000**	117,000

35 CAPITAL COMMITMENTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Authorised and contracted for at the end of the reporting period but not yet incurred				
- Plant and machinery	**433,142**	14,180,638	**0**	0
- Others	**471,851**	464,785	**205,900**	0
Authorised but not contracted for at the end of the reporting period				
- Plant and machinery	**18,011,873**	37,812,600	**0**	0
- Land and building	**0**	10,800,000	**0**	9,000,000
- Others	**6,367,895**	9,949,326	**3,708,600**	8,130,326
	25,284,761	73,207,349	**3,914,500**	17,130,326
Share of capital commitment of a joint venture	**1,420,347**	0	**0**	0
	26,705,108	73,207,349	**3,914,500**	17,130,326

36 CONTINGENT LIABILITIES

In the ordinary course of business, the Group has given guarantees amounting to RM30,729,080 (2014: RM26,149,073) to third parties in respect of operational requirements, utilities and maintenance contracts.

In addition, the Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a joint venture (2014: a subsidiary) which amounts to RM1,016,423 (2014: RM1,653,879), representing the outstanding banking facilities of the subsidiaries as at end of reporting period.

37 CAPITAL MANAGEMENT

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividends, return capital to shareholders or issue new shares and debts.

The capital structure for the Group and the Company consists of borrowings and cash and bank balances and total equity, comprising issued share capital as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	**123,830,695**	75,015,967	**4,379,992**	9,603,965
Less: Total borrowings	**(137,385,850)**	(155,370,442)	**(30,800,000)**	(26,300,000)
	(13,555,155)	(80,354,475)	**(26,420,008)**	(16,696,035)
Total equity	**318,989,468**	304,923,677	**216,714,116**	220,618,582

The borrowings of the Group and the Company are subject to the bank's covenants, which include liquidity and solvency ratios, for which the Group and the Company have complied with.

38 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR DISCONTINUED OPERATION/DISPOSAL GROUP HELD FOR SALE

On 24 March 2015, the Company and TOSB, a wholly owned subsidiary of the Company, entered into a Subscription Agreement with STICO in which STICO agreed to subscribe for 3,440,000 ordinary shares of RM1.00 each and 2 redeemable convertible preferences shares of RM0.01 each, representing 19.45% of the total enlarged issued and paid-up capital of TOSB ("Proposed Subscription"). Upon completion of the Proposed Subscription on 30 March 2015, TOSB became a joint venture of the Company and STICO. The segment was a discontinued operation and classified as held for sale as at 31 December 2014.

Profit attributable to the discontinued operation was as follows:

	2015 RM	2014 RM
Revenue	**787,132**	4,558,953
Expenses	**(895,016)**	(4,522,398)
(Loss)/profit before tax	**(107,884)**	36,555
Tax expense	**21,711**	(19,797)
Results from operating activities, net of tax	**(86,173)**	16,758
Gain on disposal of discontinued operation	**1,126,885**	0
	1,040,712	16,758

The loss from discontinued operation of RM86,173 (2014: profit of RM16,758) is attributable entirely to the owners of the Company.

38 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR
DISCONTINUED OPERATION/DISPOSAL GROUP HELD FOR SALE (CONTINUED)

	2015 RM	2014 RM
Net cash generated from operating activities	**564,041**	2,528,631
Net cash used in investing activities	**(238,722)**	(1,175,134)
Net cash used in financing activities	**(148,696)**	(810,535)
Effect on cash flows	**176,623**	542,962

	2015 RM
Effect of disposal on the financial position of the Group	
Property, plant and equipment	**19,082,292**
Intangible assets	**146,145**
Deferred tax assets	**70,588**
Trade and other receivables	**1,982,137**
Cash and bank balances	**5,877,480**
Taxation	**(4,694)**
Trade and other payables	**(528,347)**
Borrowings	**(1,505,185)**
Net assets	**25,120,416**
Gain on disposal of discontinued operation	**1,126,885**
Investment in a joint venture	**26,247,301**
Consideration received, satisfied in kind	**0**
Cash and bank balances, disposed of	**(5,877,480)**
Net cash outflow	**(5,877,480)**

39 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR ACQUISITION OF NON-CONTROLLING INTERESTS

On 1 September 2015, the Group acquired an additional 20% interest in Delcom Holdings Sdn. Bhd. ("DHSB") for RM3,169,000 in cash, increasing its ownership from 80% to 100%. The carrying amount of DHSB's net assets in the Group's financial statements on the date of the acquisition was RM12,693,988. The Group recognised a decrease in non-controlling interest of RM3,173,497 and an increase in retained earnings of RM4,497.

The following summarises the effect of changes in the equity interest in DHSB that is attributable to the owners of the Company:

	Group 2015 RM
Equity interest at 1 January 2015	**12,807,052**
Effect of increase in Company's ownership interest	**3,173,497**
Share of comprehensive income	**7,289,651**
Share based payment	**21,960**
Dividend	**(8,007,000)**
Equity interest at 31 December 2015	**15,285,160**

40 COMPARATIVES

Certain comparative figures have been reclassified to conform with current year's presentation.

(i) Impact on the statement of comprehensive income

	For the financial year ended 31 December 2014		
	As previously reported RM	Reclassification RM	As restated RM
Company			
Other operating income	**297,410**	**768,590**	**1,066,000**
Finance cost	**0**	**(768,590)**	**(768,590)**

40 COMPARATIVES (CONTINUED)

Certain comparative figures have been reclassified to conform with current year's presentation (continued).

(ii) Impact on the statement of financial position

	As at 31 December 2014		
	As previously reported	Reclassification	As restated
	RM	RM	RM
Company			
Cash and bank balances	9,603,965	33,291	9,637,256
Dividends payable	0	(33,291)	(33,291)

(iii) Impact on the statement of cash flows

	For the financial year ended 31 December 2014		
	As previously reported	Reclassification	As restated
	RM	RM	RM
Company			
Interest paid	0	(768,590)	(768,590)
Interest received	135,906	768,590	904,496

41 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 February 2016.

42 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") 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 unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group and the Company as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits of the Group and its subsidiaries:				
Realised	**115,243,718**	125,592,863	**15,482,964**	20,452,964
Unrealised	**(7,550,572)**	(11,313,190)	**1,024,829**	165,618
	107,693,146	114,279,673	**16,507,793**	20,618,582
Total share of retained profits from associate companies:				
Realised	**45,200,227**	42,458,379	**0**	0
Unrealised	**(3,917,145)**	(4,021,537)	**0**	0
	41,283,082	38,436,842	**0**	0
Total share of retained profits from a joint venture:				
Realised	**987,338**	0	**0**	0
Unrealised	**(212,450)**	0	**0**	0
	774,888	0	**0**	0
Less: Consolidation adjustments	**(4,494,993)**	(24,872,690)	**0**	0
	37,562,977	13,564,152	**0**	0
Total Group's and Company's retained profits	**145,256,123**	127,843,825	**16,507,793**	20,618,582

The determination of realised and unrealised profits is based on the Guidance of Special Matter No 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

Statement by Directors

Pursuant To Section 169(15) of the Companies Act, 1965

We, Dato' Izham bin Mahmud and Nan Yusri bin Nan Rahimy, being two of the Directors of Deleum Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 70 to 166 are drawn up in accordance with the provisions of Companies Act, 1965 and the Malaysian Financial Reporting Standards, and International Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of its financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 42 on page 167 have been prepared in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 23 February 2016.

DATO' IZHAM BIN MAHMUD
DIRECTOR

NAN YUSRI BIN NAN RAHIMY
DIRECTOR

Statutory Declaration

Pursuant To Section 169(16) of the Companies Act, 1965

I, Jayanthi a/p Gunaratnam, the officer primarily responsible for the financial management of Deleum Berhad, do solemnly and sincerely declare that the financial statements set out on pages 70 to 166 are, in my opinion, 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.

JAYANTHI A/P GUNARATNAM

Subscribed and solemnly declared by the abovenamed Jayanthi a/p Gunaratnam.

At : Kuala Lumpur

On : 23 February 2016

Before me:

COMMISSIONER FOR OATHS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Deleum Berhad on pages 70 to 166 which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on notes 1 to 41.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible 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 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 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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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 financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 33 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.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in note 42 on page 167 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. I, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of 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.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SUBATHRA A/P GANESAN
(No. 3020/08/16 (J))
Chartered Accountant

Kuala Lumpur
23 February 2016

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of DELEUM BERHAD (the Company) will be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 24 May 2016 at 10.00 a.m., for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note (i)).

2. To re-elect Datuk Chin Kwai Yoong who retires by rotation pursuant to Article 78 of the Company's Articles of Association and being eligible, offers himself for re-election. **Ordinary Resolution 1**

3. To approve the payment of Directors' fees of RM962,000 in respect of the financial year ended 31 December 2015. [2014: RM930,000] **Ordinary Resolution 2**

4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 3**

5. To consider and if thought fit, to pass the following Ordinary Resolutions in accordance with Section 129 of the Companies Act, 1965:

   "**THAT** Dato' Izham bin Mahmud, being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **Ordinary Resolution 4**

   "**THAT** Datuk Vivekananthan a/l M.V. Nathan, being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **Ordinary Resolution 5**

   "**THAT** Datuk Ishak bin Imam Abas, being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **Ordinary Resolution 6**

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolutions, with or without modifications:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Ordinary Resolution 7**

"**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and any other governmental/ regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue not more than ten percent (10%) of the issued and paid-up share capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTION 2.5(1) OF THE CIRCULAR TO SHAREHOLDERS DATED 29 APRIL 2016** **Ordinary Resolution 8**

"**THAT** approval be and is hereby given for the renewal of the Shareholders' Mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5(1) of the Circular to Shareholders dated 29 April 2016 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not to the detriment of minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

(a) the conclusion of the next Annual General Meeting (AGM) of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the Act) (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

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

whichever is the earlier;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTION 2.5(2) OF THE CIRCULAR TO SHAREHOLDERS DATED 29 APRIL 2016** **Ordinary Resolution 9**

"**THAT** approval be and is hereby given for the renewal of the Shareholders' Mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5(2) of the Circular to Shareholders dated 29 April 2016 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not to the detriment of minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

(a) the conclusion of the next Annual General Meeting (AGM) of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the Act) (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

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

whichever is the earlier;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

9. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **Ordinary Resolution 10**

"**THAT** subject to the passing of Ordinary Resolution 6, approval be and is hereby given to Datuk Ishak bin Imam Abas, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

10. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **Ordinary Resolution 11**

"**THAT** subject to the passing of Ordinary Resolution 1, approval be and is hereby given to Datuk Chin Kwai Yoong, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

BY ORDER OF THE BOARD

LEE SEW BEE (MAICSA 0791319)
LIM HOOI MOOI (MAICSA 0799764)
Company Secretaries
Kuala Lumpur

29 April 2016

Notes on Proxy

1. A member of the Company entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy or proxies to attend and vote in his/her stead. 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 (the Act) shall not apply.

2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds in respect of the number of ordinary shares of the Company standing to the credit of the said securities account. 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 an exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or the hand of its duly authorised officer.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

Explanatory Notes to the Agenda

(i) For Agenda Item 1
To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon

The Agenda Item 1 is meant for discussion only. The provisions of Section 169 of the Act and the Articles of Association of the Company require that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

(ii) For Agenda Item 6
Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

The Company had at the Tenth AGM held on 29 April 2015, obtained its shareholders' approval for the renewal of the general mandate for issuance of shares pursuant to Section 132D of the Act. The Company however did not issue any new shares pursuant to this mandate obtained as at the date of this notice.

The proposed Ordinary Resolution 7 is a renewal mandate for the issue of shares under Section 132D of the Act. If passed, it will give the Directors of the Company from the date of this AGM, authority to allot and issue shares from the unissued capital of the Company but not exceeding 10% of the issued and paid-up share capital of the Company.

A renewal of this general mandate is to provide flexibility to the Company to issue new securities without the need to convene a separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions and/or for issuance of shares as settlement of purchase consideration.

(iii) For Agenda Items 7 and 8
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Sections 2.5(1) and 2.5(2) of the Circular to Shareholders dated 29 April 2016

Please refer to the Circular to Shareholders dated 29 April 2016 accompanying the Company's Annual Report for the financial year ended 31 December 2015 for detailed information. The Ordinary Resolutions proposed under Agenda Items 7 and 8, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

(iv) For Agenda Items 9 and 10
Retention of Independent Non-Executive Directors

The Joint Remuneration and Nomination Committee and the Board of Directors have assessed the independence of Datuk Ishak bin Imam Abas and Datuk Chin Kwai Yoong, who have each served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. Based on the assessment, the Board is satisfied that Datuk Ishak bin Imam Abas and Datuk Chin Kwai Yoong continue to be independent and the Board recommended that they continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

(a) they are able to exercise independent and objective judgement and to act in the best interest of the Company, notwithstanding their tenure of service;
(b) they have met the independence guidelines set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
(c) they have contributed sufficient time and efforts and exercised due care in all undertakings of the Company and have acted and carried out their fiduciary duties in the interest of the Company during their tenure as Independent Directors;
(d) they are independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company; and
(e) Datuk Ishak bin Imam Abas, having held various senior positions in the oil and gas industry before retirement, has vast experience and a depth of knowledge of the industry. Datuk Chin Kwai Yoong has extensive experience in audits of major companies which included oil and gas companies. Their in-depth knowledge of the industry, understanding of the Company's objectives, strategies and business operations and proven commitment, experience and competency will continue to benefit the Board in discharging its duties and providing advice and critical oversight to Management effectively.

The proposed Ordinary Resolutions which are in line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, will enable Datuk Ishak bin Imam Abas and Datuk Chin Kwai Yoong to hold office as Independent Non-Executive Directors until the conclusion of the next AGM of the Company.

Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 17 May 2016 and only a depositor whose name appears on this Record shall be entitled to attend this AGM or appoint proxy or proxies to attend and/or vote on his/her stead.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There is no person seeking election as Director of the Company at this Annual General Meeting.

1. SHARE BUYBACKS

During the financial year ended 31 December 2015 (FY2015), there were no share buybacks by the Company.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company had not issued any options, warrants or convertible securities during FY2015.

3. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during FY2015.

4. LONG-TERM INCENTIVE PLAN

The Long-Term Incentive Plan (LTIP) implemented on 10 October 2014 is the only share scheme of the Company in existence during FY2015. The details of the LTIP are as follows:

(a) The total number of shares granted, vested, forfeited and outstanding under the LTIP since its commencement on 10 October 2014 up to FY2015 are set out below:

	Number of Shares Granted	
Description	**Grand Total**	**Executive Director**
Granted		
- Restricted Share Incentive Plan	1,254,300	145,800
- Performance Share Incentive Plan	1,142,200	226,200
Vested		
- Restricted Share Incentive Plan	-	-
- Performance Share Incentive Plan	-	-
Forfeited		
- Restricted Share Incentive Plan	150,300	-
- Performance Share Incentive Plan	101,200	-
Outstanding		
- Restricted Share Incentive Plan	1,104,000	145,800
- Performance Share Incentive Plan	1,041,000	226,200

(b) Percentages of shares granted to Executive Director and selected eligible senior management and key employees under the LTIP during the financial year and since its commencement up to FY2015 are set out below:

	Percentage	
Executive Director and Senior Management and key employees	**During the financial year**	**Since commencement up to 31 December 2015**
(i) Aggregate maximum allocation	100	100
(ii) Actual shares granted	6	6

(c) No shares were granted to the Non-Executive Directors under the LTIP since its commencement up to FY2015.

5. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during FY2015.

6. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by relevant regulatory bodies during FY2015.

7. NON-AUDIT FEES

The amount of non-audit fees paid to external auditors by the Group for FY2015 was RM184,800 which consisted of professional fees in connection with the review of quarterly announcements to Bursa Malaysia Securities Berhad, taxation and other advisory services.

8. VARIATION IN RESULTS

The Company did not release any profit estimate, forecast or projection for FY2015. There was no significant variance between results for the financial year and the unaudited results previously released by the Company.

9. PROFIT GUARANTEE

The Company did not receive any profit guarantee during FY2015.

10. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving Directors and major shareholders during FY2015:

(i) On 24 March 2015, Turboservices Overhaul Sdn. Bhd. (TOSB), a wholly-owned subsidiary of the Company then, entered into the following agreements:

(a) Subscription Agreement with the Company and Solar Turbines International Company (STICO), a major shareholder of a subsidiary of the Company, whereby STICO had agreed to subscribe for 3,440,000 ordinary shares of RM1.00 each (Ordinary Shares) and 2 redeemable convertible preference shares of RM0.01 each (RCPS), representing 19.45% of the total enlarged issued and paid-up capital of TOSB, for a consideration of RM7,000,000 (Consideration) to be satisfied by the delivery of one (1) Test Skid (a universal test skid capable of running full performance test on certain STICO's contract products) by STICO to TOSB (Subscription). The 2 RCPS carry a total issued price of RM3,560,000 which translates to a nominal value of RM0.01 with a share premium of RM1,779,999.99 each.

(b) Test Skid Agreement with STICO whereby TOSB agreed to accept and STICO agreed to deliver one (1) Test Skid as payment in kind for the subscription of shares by STICO in satisfaction of the Consideration pursuant to the Subscription.

(collectively referred to as the Transactions)

The Transactions were completed on 30 March 2015 whereby TOSB became a joint venture of the Company and STICO. Upon which, the Company is holding 14,250,000 Ordinary Shares and 2 RCPS, representing 80.55% of the total enlarged issued and paid-up capital of TOSB whereas STICO is holding 3,440,000 Ordinary Shares and 2 RCPS, representing 19.45% of the total enlarged issued and paid-up capital of TOSB.

(c) Shareholders Agreement with the Company and STICO to regulate the relationship of the Company and STICO as shareholders of TOSB effective upon completion of the Transactions on 30 March 2015.

(ii) On 19 August 2015, Deleum Services Sdn. Bhd. (DSSB), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement with Tan Sri Dato' Seri Abdul Ghani bin Abdul Aziz (Tan Sri), a former director of the Company who retired from the Board on 29 April 2015, for the acquisition of 20,000 ordinary shares of RM1.00 each in Delcom Holdings Sdn. Bhd. (DHSB), representing 20% equity interest of DHSB from Tan Sri, for a total cash consideration of RM3,169,000 (Acquisition).

The Acquisition was completed on 1 September 2015 whereby DHSB became a wholly-owned subsidiary of the Company via DSSB.

List of Properties

No	Company	Address	Brief Description	Existing Use	Land Area/ Built up Area	Tenure/ Date of Expiry of Lease	Age of Building	Net Book Value @ 31/12/15	Revaluation, if any	Date of Acquisition
1	Deleum Berhad (Corporate Head Office)	No. 2, Jalan Bangsar Utama 9 Bangsar Utama, 59000 Kuala Lumpur, Malaysia	6 storey corner shop office	Office	350.00 sq metres/ 2,049.56 sq metres	Leasehold/ 03/12/2085	17 years	3,206,426		02/05/2006
2	Deleum Services Sdn. Bhd.	No. 42, Jalan Bangsar Utama 1 Bangsar Utama, 59000 Kuala Lumpur, Malaysia	5 storey corner shop office	Office	237.00 sq metres/ 1,080.90 sq metres	Leasehold/ 03/12/2085	27 years	483,589		19/09/1988
3	Deleum Services Sdn. Bhd.	No. 40, Jalan Bangsar Utama 1 Bangsar Utama, 59000 Kuala Lumpur, Malaysia	5 storey shop office	Office	168.00 sq metres/ 822.65 sq metres	Leasehold/ 03/12/2085	27 years	490,044		28/09/1988
4	Deleum Services Sdn. Bhd.	Unit No. 8-11-3 Menara Mutiara Bangsar Jalan Liku, Off Jalan Bangsar 59100 Kuala Lumpur, Malaysia	Office Lot	Office	141.00 sq metres/ 141.00 sq metres	Freehold	13 years	422,025		03/02/1997
5	Deleum Services Sdn. Bhd.	Unit No. 8-11-4 Menara Mutiara Bangsar Jalan Liku, Off Jalan Bangsar 59100 Kuala Lumpur, Malaysia	Office Lot	Office	147.00 sq metres/ 147.00 sq metres	Freehold	13 years	443,912		03/02/1997
6	Deleum Services Sdn. Bhd. (Miri office)	Lot 1315, Block 9 Miri Concession Land District Miri Waterfront Commercial Centre Jalan Bendahara, 98008 Miri Sarawak, Malaysia	4 storey corner shop office	Office	186.70 sq metres/ 891.84 sq metres	Leasehold/ 30/09/2066	11 years	912,000		20/08/2004
7	Deleum Services Sdn. Bhd. (Operations)	Asian Supply Base Ranca Ranca Industrial Estate P.O. Box 81730, 87027 Labuan Federal Territory, Malaysia	Warehouse	Warehouse	5,700.00 sq metres/ 1,776.43 sq metres	On Lease/ 30/09/2024	15 years	800,001		-
8	Deleum Services Sdn. Bhd. (Operations)	Kemaman Supply Base Warehouse 28, 24007 Kemaman Terengganu Darul Iman, Malaysia	Warehouse	Warehouse	4,134.00 sq metres/ 1,456.00 sq metres	On Lease/ 31/03/2017	7 years	13,418		-
9	Penaga Dresser Sdn. Bhd. (Operations)	No. A1-A2, Kawasan MIEL Jakar Phase III, 24000 Kemaman Terengganu Darul Iman, Malaysia	2 units of semi-detached factory	Assembly Plant	A1-1723 sq metres A2-1229 sq metres	Leasehold/ 19/04/2053	23 years	993,570	4/11/2009	12/04/2004
10	Deleum Services Sdn. Bhd.	Unit E-P-17, Bayu Beach Resort Port Dickson, 71050 Negeri Sembilan Darul Khusus Malaysia	Apartment		143.53 sq metres/ 143.53 sq metres	Leasehold/ 12/06/2092	21 years	149,632		24/02/1992

Analysis of Shareholdings

as at 31 March 2016

Authorised share capital	: RM500,000,000
Issued and paid-up capital	: RM200,000,000
No. of shareholders	: 4,687
Class of shares	: Ordinary shares of RM0.50 each
Voting rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Holders	Total Holdings	% of Holdings
less than 100 shares	187	5,932	0.00
100 to 1,000 shares	545	372,204	0.09
1,001 to 10,000 shares	2,666	13,823,063	3.46
10,001 to 100,000 shares	1,093	33,279,215	8.32
100,001 to less than 5% of issued shares	192	155,745,368	38.94
5% and above of issued shares	4	196,774,218	49.19
Total	**4,687**	**400,000,000**	**100.00**

TOP 30 SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	Lantas Mutiara Sdn. Bhd.	81,718,800	20.43
2.	Amsec Nominees (Tempatan) Sdn. Bhd. Amara Investment Management Sdn. Bhd. for Hartapac Sdn. Bhd.	48,165,418	12.04
3.	Datuk Vivekananthan a/l M.V. Nathan	42,530,000	10.63
4.	IM Holdings Sdn. Bhd.	24,360,000	6.09
5.	Datin Che Bashah @ Zaiton binti Mustaffa	19,024,000	4.76
6.	Dato' Izham bin Mahmud	11,200,000	2.80
7.	Salient Lifestyle Sdn. Bhd.	10,000,000	2.50
8.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Mohd Ibrahim bin Mohd Zain (Margin)	8,666,998	2.17
9.	Datin Che Bashah @ Zaiton binti Mustaffa	7,741,600	1.94
10.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Tan Sri Dato' Mohd Ibrahim bin Mohd Zain (MM0804)	3,333,000	0.83

TOP 30 SECURITIES ACCOUNT HOLDERS
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name of Shareholders	No. of Shares	Percentage (%)
11.	Goh Thong Beng	3,220,000	0.81
12.	Dilip Manharlal Gathani	2,936,800	0.73
13.	DYMM Tuanku Syed Sirajuddin Putra Jamalullail	2,901,066	0.73
14.	Neoh Choo Ee & Company, Sdn. Berhad	2,749,332	0.69
15.	Hj. Abd Razak bin Abu Hurairah	2,691,946	0.67
16.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Credit Suisse (SG BR-TST-ASING)	2,689,100	0.67
17.	Lee Sew Bee	2,560,000	0.64
18.	Saudah binti Hashim	2,500,000	0.63
19.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	2,294,500	0.57
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (Vcam Equity FD)	2,220,800	0.56
21.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Datin Che Bashah @ Zaiton binti Mustaffa (PBCL-0G0239)	2,050,000	0.51
22.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Chandran Aloysius Rajadurai (PB)	2,000,000	0.50
23.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chan Cheu Leong	1,951,400	0.49
24.	Datuk Ishak bin Imam Abas	1,796,332	0.45
25.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Datin Che Bashah @ Zaiton binti Mustaffa (CEB)	1,700,000	0.43
26.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Tan Swee Leong (PBCL-0G0165)	1,660,000	0.42
27.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Datin Che Bashah @ Zaiton binti Mustaffa (PBCL-0G0054)	1,650,000	0.41
28.	Celine D'Cruz a/p Francis D'Cruz	1,630,000	0.41
29.	Amanahraya Trustees Berhad Affin Hwang Growth Fund	1,624,800	0.41
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (Affin HWNG SM CF)	1,623,800	0.41

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lantas Mutiara Sdn. Bhd.	81,718,800	20.43	0	0
Hartapac Sdn. Bhd.	48,165,418	12.04	0	0
Datuk Vivekananthan a/l M.V. Nathan	42,799,300	10.70	81,718,800 (1)	20.43
Datin Che Bashah @ Zaiton binti Mustaffa	32,185,598	8.05	0	0
IM Holdings Sdn. Bhd.	24,360,000	6.09	0	0
Dato' Izham bin Mahmud	11,200,000	2.80	138,264,398 (2)	34.57
Datin Sian Rahimah Abdullah	0	0	48,165,418 (3)	12.04
Faye Miriam Abdullah	0	0	48,165,418 (3)	12.04
Hugh Idris Abdullah	0	0	48,165,418 (3)	12.04
Farid Riza Izham	0	0	24,360,000 (4)	6.09
Faidz Raziff Izham	0	0	24,360,000 (4)	6.09
Hana Sakina Izham	0	0	24,360,000 (4)	6.09

Notes:
(1) Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 (the Act).
(2) Deemed interested by virtue of his shareholdings in IM Holdings Sdn. Bhd. and Lantas Mutiara Sdn. Bhd. pursuant to Section 6A of the Act and shares held by his spouse.
(3) Deemed interested by virtue of his/her shareholdings in Hartapac Sdn. Bhd. pursuant to Section 6A of the Act.
(4) Deemed interested by virtue of his/her shareholdings in IM Holdings Sdn. Bhd. pursuant to Section 6A of the Act.

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Dato' Izham bin Mahmud	11,200,000	2.80	138,264,398 (1)	34.57
Datuk Vivekananthan a/l M.V. Nathan	42,799,300	10.70	81,718,800 (2)	20.43
Datuk Ishak bin Imam Abas	1,912,998	0.48	0	0
Datuk Chin Kwai Yoong	750,000	0.19	50,000 (3)	0.01
Nan Yusri bin Nan Rahimy	397,332	0.10	76,332 (3)	0.02

Notes:
(1) Deemed interested by virtue of his shareholdings in IM Holdings Sdn. Bhd. and Lantas Mutiara Sdn. Bhd. pursuant to Section 6A of the Act and shares held by his spouse.
(2) Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn. Bhd. pursuant to Section 6A of the Act.
(3) Deemed interested by virtue of shares held by his spouse.

Corporate Directory

HEAD OFFICE

Deleum Berhad and its subsidiaries:
Deleum Services Sdn. Bhd.
Deleum Oilfield Services Sdn. Bhd.
Deleum Chemicals Sdn. Bhd.
Turboservices Sdn. Bhd.
No. 2, Jalan Bangsar Utama 9
Bangsar Utama, 59000
Kuala Lumpur, Malaysia
Tel : +603-2295 7788
Fax : +603-2295 7777
Email : info@deleum.com

BRANCH OFFICE

Miri
Lot 1315, Miri Waterfront
Commercial Centre
98008 Miri
Sarawak, Malaysia
Tel : +6085-413528/417 020
Fax : +6085-418 037
Email : info@deleum.com

Kota Kinabalu
Unit No. J-55-3A, 4th Floor
Block J KK Times Square
Off Coastal Highway
88100 Kota Kinabalu
Sabah, Malaysia
Tel : +6088-485 189
Email : info@deleum.com

SUBSIDIARIES

Deleum Rotary Services Sdn. Bhd.
No. 3, Jalan P4/8, Seksyen 4
Bandar Teknologi Kajang
43500 Kajang
Selangor Darul Ehsan, Malaysia
Tel : +603-8723 7070
Fax : +603-8723 3070
Email : info@deleum.com

Turboservices Sdn. Bhd.
Unit No. B-23-1, Level 23, Tower B
Menara UOA Bangsar
No.5, Jalan Bangsar Utama 1
59000 Kuala Lumpur, Malaysia
Tel : +603-2280 2200
Fax : +603-2280 2249/2250

Deleum Primera Sdn. Bhd.
No. 1-2, Jalan Tasik Utama 8
Medan Niaga Tasik Damai
Sungai Besi, 57100
Kuala Lumpur, Malaysia
Tel : +603-9054 4441
Fax : +603-9054 4442
Email : info@deleum.com

Penaga Dresser Sdn. Bhd.
Business Suite, 19A-9-1
Level 9 UOA Centre, No. 19
Jalan Pinang, 50450
Kuala Lumpur, Malaysia
Tel : +603-2163 2322
Fax : +603-2161 8312
Email : sales@penagadresser.com

Penaga Dresser Sdn. Bhd
(Kota Kinabalu Sales Office)
Unit No. J-55-3A, 4th Floor
Block J KK Times Square
Off Coastal Highway
88100 Kota Kinabalu
Sabah, Malaysia
Tel : +6088-485 189
Email : sales@penagadresser.com

OPERATIONS AND SUPPLY BASES

Kemaman
Kemaman Supply Base
Warehouse 28, 24007 Kemaman
Terengganu Darul Iman, Malaysia
Tel : +609-863 1407/1408
Fax : +609-863 1379
Email : info@deleum.com

Labuan
Asian Supply Base
Rancha Rancha Industrial Estate
87017 Labuan, Malaysia
Tel : +6087-413 935/583 205
Fax : +6087-425 694
Email : info@deleum.com

SERVICE CENTRE/ FACILITY

Miri
(Miri Service Facility)
Lot 3017, Permy Jaya Teknologi Park
Bandar Baru Permy Jaya
98000 Miri
Sarawak, Malaysia
Tel : +6085-413 528/417 020
Fax : +6085-418 037
Email : info@deleum.com

Deleum Rotary Services Sdn. Bhd.
(Bintulu Service Facility)
Lot 3955, Block 32
Jalan Sungai Nyigu
97000 Bintulu, Sarawak, Malaysia
Tel : +6086-339 964
Fax : +6086-339 984
Email : info@deleum.com

Deleum Rotary Services Sdn. Bhd.
(Kemaman Service Facility)
No. 17410, Jalan Mak Lagam
Kawasan Industri Jakar 3
24000 Chukai, Kemaman
Terengganu Darul Iman, Malaysia
Tel : +609-868 3650
Fax : +609-868 3667

Penaga Dresser Sdn. Bhd.
(Terengganu Engineering Centre)
Lot A1-A2, Kawasan Miel
Jakar Phase III, 24000 Kemaman
Terengganu Darul Iman, Malaysia
Tel : +609-868 6799
Fax : +609-868 3453
Email : sales@penagadresser.com

Penaga Dresser Sdn. Bhd.
(Sabah Sarawak Engineering Centre)
Lot 3326 & 3327, Piasau Industrial
Shophouse, Off Jalan Piasau Utara
98000 Miri, Sarawak, Malaysia
Tel : +6085-419 126
Fax : +6085-412 127
Email : sales@penagadresser.com

Penaga Dresser Sdn. Bhd.
(Labuan Engineering Service Centre)
Asian Supply Base
Rancha Rancha Industrial Estate
87017 Labuan, Malaysia
Email : sales@penagadresser.com

OTHER FACILITIES

Research & Development Facility
No. 26-G, Block I, Tingkat G
Jalan PJS 5/28 Pusat
Perdagangan Petaling Jaya Selatan
46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7773 0166
Email : info@deleum.com

Integrated Workshop Facility
Lot 4019, Kawasan Industri Teluk
Kalong, 24007 Kemaman
Terengganu Darul Iman, Malaysia
Tel : +609-8634 588
Fax : +609-8632 588
Email : info@deleum.com

JOINT VENTURE

Turboservices Overhaul Sdn. Bhd.
(Turboservices: Solar Turbines
Integrated Service Centre)
Lot 26197, Kawasan Perindustrian
Tuanku Jaafar, 71450 Seremban
Negeri Sembilan Darul Khusus
Malaysia
Tel : +606-6798 270/207
Fax : +606-6798 267
Email : info@deleum.com

ASSOCIATES

Malaysian Mud And Chemicals Sdn. Bhd.
Asian Supply Base
Rancha Rancha Industrial Estate
87017 Labuan, Malaysia
Tel : +6087-415 922
Fax : +6087-415 921
Email : mc2@tm.net.my

Cambodia Utilities Pte. Ltd.
Power Plant #2, Road #2
Sangkat Chak Angre Leu
Khan Meanchey, Phnom Penh
Kingdom of Cambodia
Tel : +855-23 425 592
Fax : +855-23 425 050
Email : adminisrationcupl@cupl.com.kh

PROXY FORM

DELEUM

Deleum Berhad
(Company No. 715640-T)
(Incorporated in Malaysia under the Companies Act, 1965)

CDS Account No.	No. of Shares Held

I/We____
(Full name in block letters)

I.C/Passport/Company No.____

of____
(Address in full)

being a member of **DELEUM BERHAD** hereby appoint____
(Full name in block letters)

I.C/Passport No.____

of____
(Address in full)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at **Ballroom 3, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia** on **Tuesday, 24 May 2016** at **10:00 a.m.** and at any adjournment thereof.

No.	Resolutions	For	Against
	Ordinary Business		
1.	To re-elect Datuk Chin Kwai Yoong as Director.		
2.	To approve the payment of Directors' fees of RM962,000 in respect of the financial year ended 31 December 2015. (2014: RM930,000)		
3.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.		
4.	To re-appoint Dato' Izham bin Mahmud as Director.		
5.	To re-appoint Datuk Vivekananthan a/l M.V. Nathan as Director.		
6.	To re-appoint Datuk Ishak bin Imam Abas as Director.		
	Special Business		
7.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.5(1) of the Circular to Shareholders dated 29 April 2016.		
9.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.5(2) of the Circular to Shareholders dated 29 April 2016.		
10.	Retention of Datuk Ishak bin Imam Abas as an Independent Non-Executive Director of the Company.		
11.	Retention of Datuk Chin Kwai Yoong as an Independent Non-Executive Director of the Company.		

Please indicate with an "x" in the spaces provided how you wish your vote to be cast. If no instruction as to voting is given, the Proxy will vote as he or she thinks fit, or abstain from voting at his or her discretion.

Dated this ______________ day of __________________ 2016.

____
Signature/ Common Seal of Shareholder(s)

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy or proxies to attend and vote in his/her stead. 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.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds in respect of the number of ordinary shares of the Company standing to the credit of the said securities account. 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 an exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or the hand of its duly authorised officer.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.
5. For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 17 May 2016 and only a depositor whose name appears on this Record shall be entitled to attend this AGM or appoint proxy or proxies to attend and/or vote on his/her stead.

1st fold here

AFFIX
STAMP

The Company Secretary

DELEUM BERHAD

(Co. No. 715640-T)

(Incorporated in Malaysia)

No. 2, Jalan Bangsar Utama 9

Bangsar Utama, 59000 Kuala Lumpur, Malaysia

2nd fold here

DELEUM BERHAD (Co. No. 715640-T)
No. 2, Jalan Bangsar Utama 9, Bangsar Utama,
59000 Kuala Lumpur, Malaysia.

Tel : 603-2295 7788
Fax : 603-2295 7777

www.deleum.com