

We make the  
**WORLD**  
a BETTER PLACE

Annual  
Report  
**2015**



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Abdul Rahman bin Haji Siraj**  
Chairman / Independent Non-Executive Director

**Adlin bin Shaharudin**  
Group Managing Director

**Ahmad bin Md Daud**  
Independent Non-Executive Director

**Nik Md Nor Suhaimi bin Nik Ibrahim**  
Independent Non-Executive Director

## PRINCIPAL OFFICER

**Mohamed Nasir bin Wan Idrus**  
Chief Executive Officer To  
Group Managing Director's Office ("CEO")

## AUDIT COMMITTEE

**Ahmad bin Md Daud**  
Chairman

**Abdul Rahman bin Haji Siraj**  
Member

**Nik Md Nor Suhaimi bin Nik Ibrahim**  
Member

## REMUNERATION COMMITTEE

**Abdul Rahman bin Haji Siraj**  
Chairman

**Ahmad bin Md Daud**  
Member

**Nik Md Nor Suhaimi bin Nik Ibrahim**  
Member

## NOMINATION COMMITTEE

**Nik Md Nor Suhaimi bin Nik Ibrahim**  
Chairman

**Abdul Rahman bin Haji Siraj**  
Member

**Ahmad bin Md Daud**  
Member

## COMPANY SECRETARIES

**Lim Seck Wah**  
(MAICSA NO.: 0799845)

**M. Chandrasegaran A/L S. Murugasu**  
(MAICSA NO.: 0781031)

## REGISTERED OFFICE

Level 15-2, Bangunan Faber Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel: 03-2692 4271  
Fax: 03-2732 5388

## PRINCIPAL BANKERS

Affin Bank Berhad (20546 T)  
AmBank (M) Berhad (8515 D)  
RHB Bank Berhad (6171 M)  
CIMB Bank Berhad (13491 P)  
Malayan Banking Berhad (3813 K)

## AUDITORS

Messrs Afrizan Tarmili Khairul Azhar ("AFTAAS")  
Chartered Accountants  
AFTAAS, 2, Jalan Rampai Niaga 2,  
Rampai Business Park,  
53300 Kuala Lumpur  
Tel: 03-4143 9330  
Fax: 03-4142 9330

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
STOCK CODE: PJBUMI  
STOCK NUMBER: 7163

## SHARE REGISTRAR

MEGA CORPORATE SERVICES SDN. BHD.  
(Company No.: 187984-H)  
Level 15-2, Bangunan Faber Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel No. : 03-2692 4271  
Fax No. : 03-2732 5388

# CORPORATE STRUCTURE

**PJBUMI BERHAD**  
(141537-M)

**ENGINEERING &  
CONSTRUCTION  
(E&C)**

PJBUMI CONSTRUCTION  
SDN BHD  
**100%**

**INDUSTRIAL  
SERVICES  
(IS)**

PJBUMI WASTE MANAGEMENT  
SDN BHD  
**100%**

**COMPOSITE  
MANUFACTURING  
(CM)**

PJBUMI COMPOSITES  
SDN BHD  
**100%**

PJBUMI SERVICES  
SDN BHD  
**100%**

PJBUMI RESOURCES  
SDN BHD  
**100%**



## DIRECTORS' PROFILE



### **ABDUL RAHMAN BIN SIRAJ**

57, Malaysian  
 Independent Non-Executive Director  
 Chairman of Board of Directors  
 Chairman of Remuneration Committee  
 Member of the Audit Committee  
 Member of the Nomination Committee

He joined the Board on 22 February 2013 as an Independent Non-Executive Director and subsequently appointed as Chairman of the Board on 27 November 2013. He graduated with a Bachelor of Accounting (Hons) Degree from University Kebangsaan Malaysia. He is a member of the Malaysian Institute of Accountants.

He has served Texaco Exploration Inc. (Texas) as Chief Accountant from 1983 to 1994. While in Texaco, he served in various countries both in Latin America and Asia and was given the task of overseeing the entire offshore and exploration accounting system. His last appointment in Texaco was in Tashkent, Uzbekistan. He subsequently joined Khazanah Nasional Bhd as General Manager in 1995 and was given the task of overseeing Khazanah's new investment programme both locally and overseas. He served Khazanah for two (2) years and later joined Inertia Bhd as its Director, Business Development. In 1997, he was appointed as the Chief Executive Officer of KBI (Malaysia) Bhd, a position he held for three (3) years until September 2000. Thereafter, he was appointed as the Chief Executive Officer of Taliworks Corporation Berhad, a position he held until 2009.

He does not hold any directorship in other public companies. He does not hold any shares in PJBumi Berhad and does not have any family relationship with its directors or major shareholders. He has no conflict of interest with PJBumi and has no convictions of offences within the past five (5) years except for traffic offences, if any.



### **ADLIN BIN SHAHARUDIN**

43, Malaysian  
 Managing Director

He joined the Board on 18 November 2014 as the Group Managing Director. He graduated with a Bachelor of Accountancy from University of Malaya in 1997.

He started his career with KPMG Peat Marwick (Malaysia) in 1997 and later joined K&N Kenanga Berhad (presently known as Kenanga Investment Bank Berhad) in 2003. He left for Singapore in 2005 to join an asset management company based in Singapore where he was exposed to Mergers & Acquisitions and international fund raising transactions. On 30 May 2008, he was appointed to the Board of CMA i Capital Sdn Bhd, a position he holds until today.

He does not hold any directorship in other public companies. He has deemed interest of 15,169,000 shares in the Company. He has no family relationship with other directors or major shareholders of PJBumi. He has no conflict of interest with PJBumi and has no convictions of offences within the past five (5) years except for traffic offences.



**AHMAD BIN MD DAUD**

62, Malaysian  
Independent Non-Executive Director  
Chairman of the Audit Committee  
Member of the Remuneration Committee  
Member of the Nomination Committee

He joined the Board on 8 February 2013 as an Independent Non-Executive Director. He graduated with a Master in Business Administration in 2000 and Diploma in Electrical and Electronics Engineering in 1976, both from University Technology Mara (UiTM).

He started his career as Process Engineer with National Semiconductor Sdn Bhd and later joined Texas Instruments Malaysia Sdn Bhd as Process Control Engineer involved in semiconductor assembly. In January 1983, he joined Bank Pembangunan Malaysia Berhad and was posted into various positions carrying out various duties from technical evaluation, project rehabilitation, project appraisal, entrepreneurial development, branch operation to risk management. Presently, he is the Managing Director of AMD Agrofarm Sdn Bhd. He is also the Chairman of Persatuan Pengimpot Penternak dan Pengusaha Ternakan Ruminan Negeri Kedah. In 2004, he was bestowed with Pingat Khidmat Cemerlang Masyarakat by Yang DiPertuan Negeri Sembilan.

He does not hold any directorship in other public companies. He does not hold any shares in PJBumi Berhad and does not have any family relationship with its directors or major shareholders. He has no conflict of interest with PJBumi and has no convictions of offences within the past five (5) years except for traffic offences, if any.



**NIK MD NOR SUHAIMI BIN NIK IBRAHIM**

59, Malaysian  
Independent Non-Executive Director  
Chairman of the Nomination Committee  
Member of Audit Committee  
Member of the Remuneration Committee

He joined the Board on 26 April 2013 as an Independent Non-Executive Director. He graduated with a Bachelor of Science majoring in Finance from Northern Illinois University Dekalb, Illinois, USA in 1982 and Diploma in Banking Studies from University Technology Mara (UiTM) in 1978.

He started his career in 1978 with Malayan Banking Berhad and later joined Maybank Investment Bank in 1991 holding various positions and thereafter moved back to Malayan Banking Berhad in 2003 and remained with the Bank until August 2012.

He does not hold any directorship in other public companies. He does not hold any shares in PJBumi Berhad and does not have any family relationship with its directors or major shareholders. He has no conflict of interest with PJBumi and has no convictions of offences within the past five (5) years except for traffic offences, if any.

# CHIEF EXECUTIVE OFFICER'S PROFILE



**MOHAMED NASIR BIN WAN IDRUS**

54, Malaysian  
 Chief Executive Officer to Group Managing Director's Office

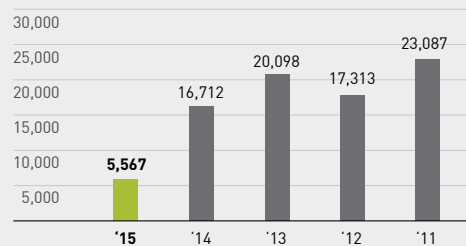
Mohamed Nasir joined the Company on 1 January 2013 as its Chief Executive Officer. He graduated with a Bachelor of Engineering (Mechanical) from the University of Queensland, Australia.

He started his career with Perwaja Steel Sdn Bhd in 1985 and the last position he held was as Deputy Corporate Director (Kemaman Operations). In 1998, he joined Golden Hope Plantation Berhad as General Manager. From November 2007 until May 2011 he was with Alam Flora Sdn Bhd as its General Manager, Operations. He then joined Progressive Impact Corporation Berhad as its Chief Operation Officer until December 2012.

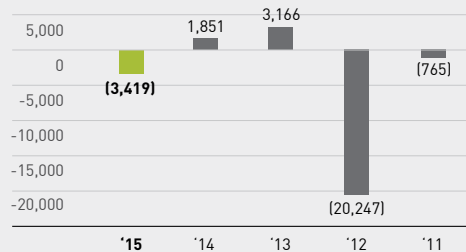
He does not hold any directorship in other public companies. He does not hold any shares in PJBumi Berhad and does not have any family relationship with its directors or major shareholders. He has no conflict of interest with PJBumi and has no convictions of offences within the past five (5) years except for traffic offences, if any.

## FIVE-YEAR FINANCIAL STATISTICS (GROUP)

**YEARLY PERFORMANCE OF GROUP'S REVENUE (RM'000)**

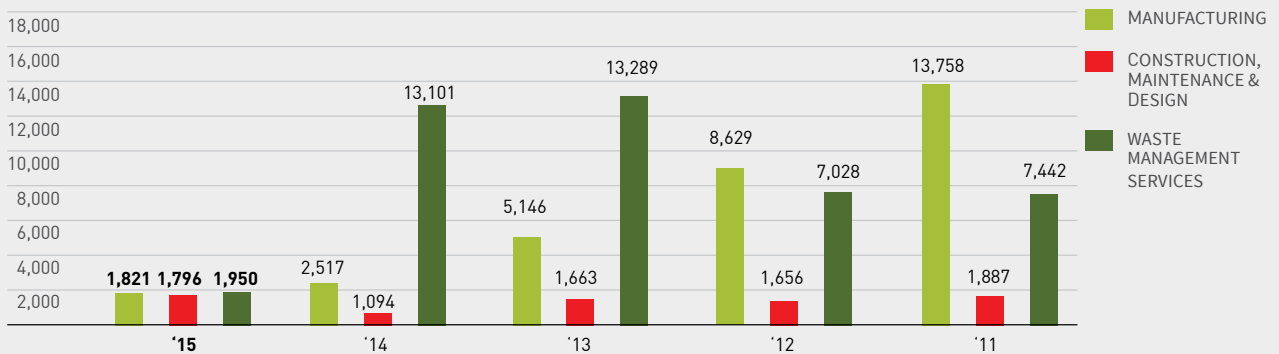


**YEARLY PERFORMANCE OF GROUP'S PROFITABILITY (RM'000)**



	2015	2014	2013	2012	2011
<b>REVENUE (RM'000)</b>	<b>5,567</b>	16,712	20,098	17,313	23,087
<b>NET PROFIT/(LOSS) FOR THE YEAR (RM'000)</b>	<b>(3,419)</b>	1,851	3,166	-20,247	-765
<b>LIQUIDITY:</b>					
Current Ratio	<b>0.47</b>	0.62	0.58	0.49	0.29
<b>PROFITABILITY</b>					
Operating Expenses Ratio (%)	<b>95</b>	35	52	145	28
Operating Profit margin (%)	<b>(61)</b>	12	30	-105	-3
Return on Capital Employed (%)	<b>(11)</b>	7	30	-127	13
<b>BASIC EARNINGS PER SHARE (sen)</b>	<b>(6.84)</b>	3.70	6.33	-40.49	-1.53
<b>NET ASSET PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)</b>	<b>0.33</b>	0.40	0.23	0.16	0.51
<b>SHARE PRICES AS AT 31 DECEMBER (RM)</b>	<b>0.29</b>	0.27	0.20	0.31	0.21
<b>SEGMENTAL REVENUE (RM'000)</b>					
Manufacturing & Composites	<b>1,821</b>	2,517	5,146	8,629	13,758
Construction, Maintenance & Design	<b>1,796</b>	1,094	1,663	1,656	1,887
Waste Management Services	<b>1,950</b>	13,101	13,289	7,028	7,442

**SEGMENTAL REVENUE (RM'000)**





## CHAIRMAN OF THE BOD' STATEMENT



Dear Valued Shareholders,

2015 has been another challenging year, fraught with uncertainties in the global and domestic economy.

The Group continued to remain focus on strengthening our fundamentals, building up our capabilities, leveraging on its core competencies and smart partnership and stepping up our marketing efforts.

### FINANCIAL PERFORMANCES

As a reflection of challenging market conditions, the Group's generated a total turnover of RM5.57 million during the financial year ended 2015. This is a drastic reduction of 67% as compared to a total turnover of RM16.71 million in 2014.

The net loss for the Group was RM3.42 million compared to net profit after tax of RM1.85 million in 2014. The loss for year is mainly due to lesser contracts or jobs secured during the year.

### PROSPECTS

As we end one difficult year and brace ourselves to face another equally tough year ahead, we are cognisant of the potential challenges.

For 2016, Malaysian economy is expected to remain resilient though slowing domestic demand and rising costs will continue to pose headwinds.

The Group has embarked on a transformation plan which involves the grouping of its businesses into Engineering & Construction (E&C), Composite Manufacturing (CM) and Industrial Services (IS) divisions. The transformation will enable the Group to be more competitive and resilient.

### APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to convey my deepest gratitude towards our shareholders for their continued support and trust in us.

To my fellow board members, I would like to thank them for their wise counsel and guidance. Their experience and knowledge have been valuable in helping us to steer through this challenging period.

On behalf of my fellow directors, I am confident that our Management team headed by En.Adlin bin Shaharudin, the Group Managing Director will make an enormous contribution, along with the rest of my distinguished colleagues, as we continue to take PJBumi to greater heights.

I would also like to record my appreciation for the cooperation extended by our business partners, as well as our valued clients and customers for their unrelenting support to us.

Above all, I would like to commend the praiseworthy efforts and commitment shown by the Management and Staff of PJBumi who have always strived for the best for the Company.

**ABDUL RAHMAN BIN HAJI SIRAJ**  
Chairman of the BOD

## CORPORATE SOCIAL RESPONSIBILITY

At PJBumi Berhad, responsibility is at the forefront of everything we do. It exists in the way we serve our customers, our employees, our shareholders, the communities where we live and operate and our business partners. Corporate Social Responsibility ("CSR") has emerged over recent years as a significant theme in the business community and has gradually become the mainstream activity for PJBUMI to be sustainable and in adherence to the good corporate governance practices.

The employees of PJBumi Berhad are committed to providing sustainable performance improvement for all our stakeholders, and a key requirement in achieving our performance goals is to do so with absolute integrity and attention to our core

Our CSR initiatives are mainly carried out through the operating subsidiaries as they constitute the people constantly in contact with the market place and the community at large. PJBUMI Berhad and the business community share a common goal, to provide a safe, clean and healthy workplace as well as environment and to promote attractive businesses and collaboration with industry partners in achieving mutually beneficial goals. As part of our ongoing corporate obligation, the CSR activities that have been carried out for the Group during the year are as follows :-



### THE WORK PLACE

PJBUMI Berhad believes that its human capital is its most valuable asset and it is important to obtain a stimulating and motivating working environment.

In line with this belief, PJBUMI has conducted various in house and external training and development programmes to enhance the core competencies of the staffs.

### THE COMMUNITY

In support of the local residents, PJBUMI Berhad had carried out various community activities including the provision of financial support for community events and projects in the local vicinity.

During the year, employees of PJBUMI Berhad had volunteered to involve in gotong-royong with local community to clean their housing areas and playground.

### THE ENVIRONMENT

Employees of each group company received an environmental training and other self development programs to help raise employee awareness on the environmental.

### CONCLUSION

In adhering to good corporate governance practices, the PJBUMI Berhad will continue to broaden the scope of their CSR activities so that the maximum impact can be delivered to the targeted audience. CSR activities are an integral part of the way we function as a business and re-act our commitment to be a responsible corporate citizen as well as an employer of choice.

# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of the Company is committed to ensure high standards of corporate governance throughout the Company and the Group based on the principles and best practices as set out in the Malaysian Code of Corporate Governance 2012 (“the Code”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board is pleased to report the manner in which the principles of the Code have been applied within the Group throughout the financial year ended 31 December 2015 and to the date of this Statement and the extent to which the Code has been complied with. On those areas where the Recommendations of the Code had not been complied with, their explanations are given below.

## 1. BOARD OF DIRECTORS

### 1.1 Composition and Size of the Board

The Board comprises of four (4) Directors, comprising a Managing Director, two (2) Independent Non-Executive Directors and a Chairman / Independent Non-Executive Director.

The composition fulfills the requirements set out under the Main Market Listing Requirements of Bursa Securities where at least one third of the Board Members are Independent Directors. This ensures that minority shareholders interests are adequately represented.

### 1.2 Board Balance

The Board is of the view that it has the right mix of individual qualities to fulfill its role. The Board as a whole represents many years’ experience in financial, business management, legal and corporate affairs. The profile of the Directors are set out in the Directors’ and CEO’s Profile of this Annual Report.

There is a clear division of responsibilities between the Independent Non-Executive Chairman and the Group Managing Director (“GMD”) to ensure balance of power and authority in the Board.

The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the GMD with the assistance of the CEO is responsible for the day-to-day running of the business and implementation of the policies and decisions of the Board. The Board operates in an open environment which opinions and information are freely exchanged and any concerns need not be focused on a single director as all members of the Board fulfill this role individually and collectively.

### 1.3 Board Roles and Responsibilities

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference to assist in the discharge of this responsibility. The roles and responsibilities of the Board are set out in the Board Charter which was approved by the Board on 29 April 2014.

The Board is principally responsible for, amongst others, overseeing the conduct of the Company’s business to evaluate whether the business is properly managed and reviewing the adequacy and integrity of the Company’s internal control system and management information system for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board maintains a formal schedule of matters reserved for collective decision, which includes material acquisitions and disposals, monitoring of financial performance and ensuring effectiveness of the system of internal controls.

# STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

## 1.4 Appointments to the Board

The Nomination Committee, comprising entirely of Independent Non-Executive Directors, is responsible for identifying and recommending to the Board suitable candidates for appointment to the Board and the Board Committees.

In selecting a suitable candidate, the Nomination Committee takes into consideration the candidate's qualification, experience and his/her directorship in other companies as well as the required mix of skill, expertise and experience required for an effective Board. The final decision on the appointment of a candidate recommended by the Nomination Committee rests with the whole Board.

On appointment of new Directors, the Management would facilitate the Directors' Induction Programme by providing the Directors with the relevant information about the Group.

## 1.5 Re-election

In accordance with the Articles of Association of the Company, all Directors shall retire from office once at least every three (3) years, but shall be eligible for re-election at the Annual General Meeting ("AGM"). An election of Directors shall take place each year. A Director over 70 years of age is required to submit himself for re-election annually in accordance with Section 129(6) of the Companies Act, 1965.

The name of Director who is due for re-election is disclosed in the Notice of the AGM and the profile of the Director is disclosed on page 4 of this Annual Report.

## 1.6 Assessment of Performance

The process of assessing Directors is an ongoing responsibility of the entire Board. The Board has put in place the performance evaluation process to assess the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each Individual Director. The Company Secretary will collate the responses from all Directors and submit to the Chairman of Nomination Committee for evaluation. The observation of the Nomination Committee together with the annual assessment results will be submitted to the Board for deliberation.

In respect of the financial year ended 31 December 2015, the Board was satisfied that the Board, the Board Committees and Individual Directors have discharged their duties and responsibilities effectively and are suitably qualified to hold their positions.

## 1.7 Directors' Independence and Tenure

The Board takes cognizance of Recommendation 3.2 of the Code that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Currently, the tenure of all Independent Non-Executive Directors on the Board has not exceeded nine (9) years.

## 1.8 Board Meetings

Board meetings for each calendar year are scheduled in advance. The scheduled Board meetings are held to receive, deliberate and decide on matters for its decision, including the performance of the Group, the business plans and strategies of the Group and the Group's quarterly financial results. Ad-hoc Board meetings are held as and when required.

The Board is satisfied with the level of time commitment by each of the Directors towards fulfilling their roles on the Board and Board Committees. The Board met seven (7) times during the financial year 2015. The details of attendance by each of the Directors at the Board meetings are as follows:-

# STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

Name of Director	No. of meetings attended	% of attendance
Abdul Rahman bin Haji Siraj Independent Non-Executive Director/Chairman	7/7	100%
Ahmad bin Md Daud Independent Non-Executive Director	6/7	85%
Nik Md Nor Suhaimi bin Nik Ibrahim Independent Non-Executive Director	7/7	100%
Adlin bin Shahrudin Managing Director	7/7	100%

## 1.9 Supply of Information

The Board has unrestricted access to timely and accurate information. The Board members are provided with the relevant agenda and Board papers containing management and financial information in advance of each Board meeting for their perusal and consideration and to enable them to obtain further clarification and information on the matters to be deliberated, to facilitate informed decision making. A director who has a direct or deemed interest in the subject matter presented at the Board meeting shall abstain from deliberation and voting on the said subject matter.

The Board is also informed of the decision and significant issues deliberated by the Board Committees via the reporting of the Chairman of the respective Board Committees and the minutes of the Board Committees tabled at the Board meetings.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary advises the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors. The Company Secretary attends all Board meetings and Board Committee meetings and ensures meetings are properly convened and that accurate and proper records of proceedings and resolutions passed are taken and maintained at the Registered Office of the Company.

All Directors also have access to Senior Management personnel in the Group and they are invited at Board meetings to assist in the Board's deliberations. The Directors may seek independent professional advice at the Company's expense in furtherance of their duties, should the need arises.

## 1.10 Directors' Remuneration

The remuneration of Directors reflects the need to attract, motivate and retain directors with the relevant experience, qualifications and expertise required to assist the in managing the Group's effectively.



# STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

The remuneration made available to all Directors of the Company during the financial year ended 31 December 2015 are as follows :

- i. Aggregate Remuneration of Directors categorised into appropriate components:

	<b>Executive Directors (RM)</b>	<b>Non-Executive Directors (RM)</b>
Directors' fees *	-	110,000.00
Salaries	-	-
Other emoluments	-	-
<b>Total</b>	<b>-</b>	<b>110,000.00</b>

\* Independent/Non-Independent Directors' fees will be tabled for shareholders' approval at the Thirty First Annual General Meeting on 27 May 2016.

- ii. The remuneration paid to the Directors, analysed in the following bands, are as follows:-

<b>Range of Remuneration (RM)</b>	<b>Executive</b>	<b>Non-Executive</b>
50,000 and below	-	4

## 1.11 Directors' Training

The Company recognizes the importance of continuous professional development and training for its Directors. All the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme prescribed under the Main Market Listing Requirements. In addition, Directors continuously receive briefings and updates on the Group's businesses and operations, finance, corporate governance, new regulations and statutory requirements. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skill and knowledge.

## 2. BOARD COMMITTEES

The Board has established Board Committees to assist the Board in performing its duties and discharging its responsibilities more efficiently and effectively. The Board Committee operate on Terms of Reference approved by the Board and have the authority to examine pertinent issues and report back to the Board with their recommendations. The details of the Board Committees are as follows:-

### 2.1 Audit Committee

The Audit Committee plays an active role in assisting the Board in discharging its governance responsibilities, which include maintaining a sound risk management, internal control and governance system.

The details of composition, terms of reference and summary of activities of the Audit Committee during the financial year 2015 are set out in the Audit Committee Report section of this Annual Report.

### 2.2 Nomination Committee

The Nomination Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Directors should bring to the Board. It assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director as well as the CEO.

# STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

During the financial year 2015, the Nomination Committee met once, attended by all members, to assess the balance composition of Board members based on merits, Directors' contribution and Board effectiveness. The Company has no policy on gender diversity or target set but believes in merits and commitment of its Board members. The Nomination Committee assesses the Board members on an objective basis for both genders.

## 2.3 Remuneration Committee

The Remuneration Committee is primarily responsible for reviewing and recommending to the Board the remuneration package of the GMD and the CEO and recommends the framework of fees of the Non-Executive Directors.

## 2.4 Executive Committee

The Executive Committee was recently established to assist the GMD and CEO in ensuring that daily operations are conducted effectively and according to the Company's strategic plan, approved budgets, polices and procedures and relevant laws and regulations.

## 3. ACCOUNTABILITY AND AUDIT

### 3.1 Code of Ethics

The Directors are expected to conduct themselves with the highest ethical standards at all times and thereby protect and promote the reputation and performance of the Company. The Code of Ethics which sets the minimum standards for the conduct of all Directors is set out in the Board Charter.

### 3.2 Conflict of Interest

All Directors including the CEO are required to disclose to the Company, any circumstances that may give rise to a conflict of interest situation during the course of carrying out their duties.

### 3.3 Financial Reporting

In presenting the annual financial statements and quarterly financial results announcements to shareholders, the Board is committed to provide a balanced, fair and comprehensive assessment of the Company's and the Group's position and prospects and ensures that the financial results are released to Bursa Securities within the stipulated time frame and that the financial statements comply with regulatory reporting requirements. The Audit Committee assists the Board in reviewing all the information disclosed to ensure adequacy, completeness, accuracy and integrity, focusing particularly on changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements, prior to recommendation to the Board for approval.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.26(a) of the Main Market Listing Requirements and the requirements of the Companies Act, 1965 is set out on page 27 of this Annual Report.

### 3.4 Internal Control

It is the responsibility of the Directors to maintain a sound system of internal control which encompasses not only financial controls but also compliance controls.

The Group is continuously revealing into the adequacy as well as the integrity of its system of internal controls as control can only provide reasonable but not absolute assurance against loss or mis-statements.

# STATEMENT ON CORPORATE GOVERNANCE

(CONT'D)

Information on the Group's systems of Internal Control is presented in the Statement On Risk Management and Internal Control in this Annual Report.

## 3.5 Risk Management

The Group has established a risk management framework through an ongoing process of identifying, evaluating and managing significant risks encountered by the Group. The Board regularly reviews this process and applies corrective measures to mitigate and manage the risks.

## 3.6 Internal Audit

The internal audit function of the Group is outsourced to an external consultant firm which has performed the audit assignments based on the approved Internal Audit Plan for the financial year.

## 3.7 Relationship with External Auditors

In the course of the audit of the Group's financial statements, the External Auditors have highlighted to the Audit Committee and the Board, matters that require the Board's attention. In addition, the External Auditors are invited to attend the AGM of the Company and are available to answer shareholders' questions.

The Audit Committee had reviewed the suitability and independence of the External Auditors and recommended their re-appointment for the financial year ending 31 December 2015. The External Auditors had provided a confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

## 4. SHAREHOLDERS AND INVESTOR ENGAGEMENT

### 4.1 Relationship with Investors and Shareholders

The Board acknowledges the value of good investor relations and the importance of disseminating information in a fair and equitable manner. The Company disseminates information via annual report, circular to shareholders and announcements periodically and adheres to the disclosure requirement of Bursa Securities.

In addition, the investors and shareholders can have an overview of the Group's financial information and corporate information via the Company's website at [www.pjbumi.com.my](http://www.pjbumi.com.my).

### 4.2 Annual General Meeting ("AGM")

The Company's Annual General Meeting is the principal forum for dialogue with shareholders and provides an opportunity for the shareholders to seek clarification on issues and to have a better understanding of the Group's performance and operation.

Shareholders are encouraged to participate in the discussions with the Board during the AGM and to raise any issues. The GMD, CEO and External Auditors are made available to respond to any queries from shareholders at the AGM.

# AUDIT COMMITTEE REPORT

## INTRODUCTION

The Board is pleased to present the Report of the Audit Committee for the financial year ended 31 December 2015. The Audit Committee provides assistance to the Board in reviewing and monitoring the integrity of the Group's financial reporting process and accounting records and reviewing the Group's risks and audit process and compliance with relevant legal and regulatory requirements.

## COMPOSITION

The present Audit Committee comprises three (3) Independent Non-Executive Directors including the Chairman and that the present composition and the qualification of its members comply with paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The members of the Audit Committee are set out below :-

Name	Designation
Ahmad bin Md Daud, Chairman	Independent Non-Executive Director
Abdul Rahman bin Haji Siraj	Independent Non-Executive Director
Nik Md Nor Suhaimi bin Nik Ibrahim	Independent Non-Executive Director

## ROLE OF AUDIT COMMITTEE

The Audit Committee provides the assistance and support in the implementation of the Board's responsibility to oversee the Group's operations in the following manner:-

- (i) Provides the means for the review of the Group's processes of producing financial data, its internal control and independence of the Group's Internal Auditors and External Auditors;
- (ii) Reinforces the independence of the Group's External Auditors; and
- (iii) Reinforces the objectivity of the Groups' Internal Auditors.

## AUTHORITY

In carrying out their duties, the Audit Committee shall have the authority to :-

- (i) Investigate any activity of the Company and its subsidiaries within its terms of reference;
- (ii) have direct communication channels with the External Auditors, Internal Auditors as well as employees of the Group; and
- (iii) consult independent experts, where necessary, to assist in executing its duties.

## KEY FUNCTIONS AND RESPONSIBILITIES

The key functions and responsibilities of the Audit Committee are as follows :-

### (i) Financial Reporting

To review the quarterly and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on the following areas :-

- Going concern assumption;
- Changes in major accounting policy and its implementation;
- Significant and unusual events;
- Compliance with the applicable approved accounting standards; and
- Other legal and regulatory requirements.

# AUDIT COMMITTEE REPORT

(CONT'D)

## (ii) Related Party Transaction

To review related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions or management's integrity, if any.

## (iii) Audit Report

To approve and review the annual Audit Committee Report for the Board's approval. This includes the terms of reference, number of meetings held and attended by members and summary of activities for inclusion in the Annual Report.

## (iv) External Auditors

- To review whether there is a reason to believe that the external auditors are not suitable for re-appointment, to consider the nomination of a person or persons as external auditors and the audit fee and to consider any questions relating to the resignation or dismissal of external auditors.
- To review external audit plan and its scope of audit for the Group.
- To review the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report.
- To review matters arising from the audit findings and satisfied that appropriate action has been taken in response to the audit findings.

## (v) Internal Control

- To review the audit plan, evaluation of the system of internal control, audit report and management letter and management response and any matters that the External Auditors may wish to discuss in the absence of the management.
- To ensure that the system of internal control is soundly intact, effectively administered and constantly monitored.

## (vi) Internal Audit

To review the adequacy of the scope of the internal audit function, programme, processes or investigation undertaken and whether the appropriate action has been taken based on the recommendations from the internal audit findings.

## (vii) Other Matters

To promptly report such matter to Bursa Securities if the Audit Committee is of the view that the matter reported to the Board of Directors has not been satisfactorily resolved that could breach the Listing Requirements or any other applicable laws.



# AUDIT COMMITTEE REPORT

(CONT'D)

## SUMMARY OF ACTIVITIES

The Audit Committee met five (5) times during the financial year ended 31 December 2015 and the attendance of each member of the Audit Committee is set out below.

Name	No. of Meetings attended	Percentage of Attendance
Ahmad bin Md Daud, Chairman	5/5	100%
Abdul Rahman bin Haji Siraj	5/5	100%
Nik Md Nor Suhaimi bin Nik Ibrahim (appointed w.e.f. 27 April 2015)	3/3	100%

The activities undertaken by the Audit Committee during the financial year 2015 were as follows:-

- (i) Reviewed the unaudited quarterly financial statements and the audited financial statements of the Company and its subsidiaries as well as deliberated on the outstanding issues to the Group's financial statements to ensure compliance with the Main Market Listing Requirements of Bursa Securities, MFRS and other legal and regulatory requirements before recommending the same for the Board's approval.
- (ii) Reviewed the changes to the accounting policies further to the implementation of the Financial Reporting Standards.
- (iii) Reviewing the audit strategy and planning memorandum of the External Auditors.
- (iv) Reviewing External Auditors' reports in relation to audit and accounting issues arising from the audit, and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
- (v) Reviewing the internal audit reports and the recommendations on audit findings.
- (vi) Reviewed the statements for disclosure in the Annual Report.
- (vii) Reviewed the related party transactions and satisfied that there was no related party transactions during the financial year.

## INTERNAL AUDIT FUNCTION

The Group's internal audit functions are outsourced to an independent professional consulting firm. The reports were presented to the Audit Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The Audit Committee approves the internal audit plan tabled during the Audit Committee meeting during the financial year.

The scope of internal audit covers the audits on risk assessment, internal control, governance and compliance activities of the Group. The reviews were carried out in conformance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The costs incurred for the internal audit function for the financial year 2015 is RM15,100.00.

A risk-based audit approach was adopted to assess and review the implementation and monitoring of controls within the Group. The audit encompasses the following activities:

- Review and assess the risk assessment and governance structure of the operating subsidiaries within the Group.
- Review and appraise the soundness, adequacy and application of accounting, financial and other key controls promoting effective controls of the operating subsidiaries in the Group.
- Ascertain the extent to which the Group's subsidiary assets are safeguarded.
- Ascertain the level of compliance to the Group policy and procedures.
- Recommend improvements to the existing systems of risk assessment, internal control and governance.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 1. INTRODUCTION

The Board remains committed to maintaining a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. The Statement on Risk Management and Internal Control is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires Malaysian public listed companies to make a statement about their risk management and internal control in their annual reports. This is in line with the Malaysian Code on Corporate Governance 2012.

## 2. BOARD RESPONSIBILITY

The Board of Directors ("Board") of PJBumi Berhad ("the Group") acknowledges their responsibility under the Bursa Securities Main Market Listing Requirements to:-

- Review the risk management framework, processes and responsibilities to provide reasonable assurance that risks are managed within tolerable ranges and embed risk management in all aspects of business activities via identifying principal risks and ensure implementation of appropriate control measures to manage the risks.
- Review the adequacy and integrity of the internal control system and management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board confirms that there is an ongoing risk management process established to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group business and corporate objectives. It should be noted that an internal control system is designed to manage risks rather than eliminate them, and can provide only reasonable but not absolute assurance against any material misstatement, losses or fraud.

In this regard, the Board and Management have put in place processes and procedures to identify, assess, monitor and manage risks, including system updates in line with changes to business environment, operating conditions and regulatory requirements.

The review of the risk management and internal control reports and processes is delegated by the Board to the Audit Committee.

## 3. RISK MANAGEMENT FRAMEWORK

The Group is establishing a risk management framework through an ongoing process of identifying, evaluating and managing significant risks encountered by the Group. The Board regularly reviews this process and applies corrective measures to mitigate and manage the risks.

## 4. MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### (i) Board Committees

Besides the Audit Committee, the Nomination and Remuneration Committees established have been established in the Group to assist the Board to perform its oversight function. Specific responsibilities have been delegated to these Board Committees. These Committees have the authority to examine all matters within their scope and report to the Board with their recommendations.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

## (ii) Audit Committee

The Audit Committee was established by the Board with its terms of reference to assist in reviewing management's financial reports, internal audit reports and external audit reports. Significant issues are brought to the attention of the Board. The Audit Committee also oversees the independence and resources of the internal audit function besides ensuring that the scope of work is adequate and that the audit has been carried out objectively and effectively by a competent team of auditors.

## (iii) Board Executive Committee

The Board Executive Committee was established by the Board to assist the CEO in ensuring that daily operations are conducted effectively and according to the Company's strategic plan, approved budgets, policies, procedures and relevant laws and regulations. The members of the Committee comprising two (2) Directors and the management representatives.

## (iv) Organisation Structure

The Group maintains a formal organization structure that includes clear delegation of reporting lines of authority, responsibility and accountability. The CEO and the Senior Management shall act in accordance with the approved Limits of Authority and remain accountable to the Board for the authority that is delegated to them.

## (v) Policies and Procedures

The Management has established written policies and procedures which have been approved by the CEO or Board and they have been implemented in the core business processes throughout the Group. They serve to ensure the compliance with the internal control and relevant laws and regulations. Regular reviews and updates are performed in line with changes in business environment, statutory and regulatory requirements to ensure their relevance and effectiveness.

## 5. REVIEW FOR THE FINANCIAL YEAR

In the efforts to strengthen the internal control within the Group, a number of corrective measures have been carried out and implemented throughout the financial year. The Group's internal audit function is outsourced to a professional services firm to assist the Board and Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

During the financial year ended 31 December 2015, internal audit reviews were carried out and findings from the internal audit review including the recommended corrective actions were presented to the Audit Committee and follow ups reviews were also conducted to ensure corrective actions have been implemented on a timely manner.

Significant risk issues, if any, are referred to the Board for consideration. The Audit Committee reports to the Board on a quarterly basis of its deliberations and recommendations.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

## CONCLUSION

The Board and Management are firm on implementing continuous measures of improvement to further strengthen the current risk management and internal control systems. The Board also has received assurance from the CEO that the Group's risk management and internal control is operating satisfactorily in all material aspects.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control pursuant to the scope set out in the Recommended Practice Guide 5 (Revised) issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the system of risk management and internal control of the Group. In the review process, the External Auditors did not perform an opinion on the effectiveness of the Group's risks and control procedures.

## OTHER ADDITIONAL COMPLIANCE INFORMATION

### 1. SHARE BUY-BACKS

PJBumi has not purchase any of its own shares during the financial year under review.

### 2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE (“RRPT”)

There is no recurrent related party transactions entered into during the financial year ended 31 December 2015.

### 3. OPTIONS, WARRANTS OR CONVERTIBLE LOAN STOCKS

There were no options, warrants or convertible loan stocks exercised during the financial year ended 31 December 2015.

### 4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipts programme during the financial year ended 31 December 2015.

### 5. NON-AUDIT FEES

There was no non-audit fees paid to the External Auditors by the Group during the financial year ended 31 December 2015.

### 6. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOANS

There was no material contracts entered into by the Company and its subsidiaries which involved Directors' or major shareholders' interest (not being contracts entered into in the ordinary course of business) during the financial year ended 31 December 2015.

### 7. IMPOSITION OF SANCTIONS / PENALTIES

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or Management by the regulatory bodies during the financial year ended 31 December 2015.

### 8. PROFIT GUARANTEE

There was no profit guarantee given during the financial year.

### 9. VARIATION IN RESULTS

There was no material variation in the results for the financial year ended as compared to the announcement made for the fourth quarter ended 31 December 2015.

### 10. UTILISATION OF PROCEEDS

The Company did not undertake any corporate exercise during the financial year. Hence, no proceeds were raised therefrom.



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# DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are described in Note 12 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

## FINANCIAL RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss for the year attributable to :		
Owners of the company	3,419	1,655

## RESERVES AND PROVISION

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not been substantially affected by any item, transaction or event of a material and unusual nature.

## DIVIDENDS

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the financial year.

## DIRECTORS OF THE COMPANY

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Abdul Rahman bin Haji Siraj  
Ahmad bin Md Daud  
Nik Md Nor Suhaimi bin Nik Ibrahim  
Adlin bin Shahrudin

## DIRECTORS' BENEFIT

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Group and the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debenture of the Group and of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 7 of the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits or deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 26 to the financial statements.

# DIRECTORS' REPORT

(CONT'D)

## DIRECTORS' INTERESTS

According to the register of director's shareholdings, the interest if directors in the office at the end of the financial year in shares of the Company and its related corporation during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			At 31 December 2015
	At 1 January 2015	Acquired	Sold	
EMEF Technology Sdn Bhd				
CMAi Capital Sdn Bhd *				
Adlin bin Shaharudin **	15,100,000	69,000	-	15,169,000

\* Deemed interested by virtue of holding substantial interest in the shares of EMEF Technology Sdn Bhd

\*\* Deemed interested by virtue of holding substantial interest in the shares of CMA i Capital Sdn Bhd

None of the other directors holding office at 31 December 2015 had any interest in shares and options over shares of the Company and of its related corporations during the financial year.

## ISSUES OF SHARES AND DEBENTURES

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial year.

## OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

# DIRECTORS' REPORT

(CONT'D)

- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) 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 will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## AUDITORS

The auditors, Messrs AFRIZAN TARMILI KHAIRUL AZHAR, have indicated their willingness to continue in office.

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

### **ABDUL RAHMAN BIN HAJI SIRAJ**

Director

### **ADLIN BIN SHAHARUDIN**

Managing Director

Shah Alam, Selangor

Date : 7 April 2016

## STATEMENT BY DIRECTORS

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

We, ABDUL RAHMAN BIN HAJI SIRAJ and ADLIN BIN SHAHARUDIN, being two of the directors of PJBUMI BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 30 to 78 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended on that date.

The information set out on page 79 have been prepared in accordance with the Guidance on 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 a resolution of the directors.

**ABDUL RAHMAN BIN HAJI SIRAJ**  
Director

**ADLIN BIN SHAHARUDIN**  
Managing Director

Shah Alam, Selangor

Date: 7 April 2016

## STATUTORY DECLARATION

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

I, ADLIN BIN SHAHARUDIN, being the Director primarily responsible for the financial management of PJBUMI BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 30 to 78 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by	}	
the above named ADLIN BIN SHAHARUDIN	}	
at Shah Alam in Selangor Darul Ehsan	}	
on 7 April 2016	}	ADLIN BIN SHAHARUDIN

Before me:

Commissioner for Oaths

Shah Alam, Selangor

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PJBUMI BERHAD

### Report on the Financial Statements

We have audited the financial statements of PJBumi Berhad, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement 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 pages 30 to 78.

#### *Directors' responsibility for the financial statements*

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with 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 are 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 judgment, 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 Company's preparation of financial statements that give 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 Company's internal control. An audit also includes evaluating the appropriateness of the 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 31 December 2015 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PJBUMI BERHAD (CONT'D)

## 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 subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the Financial Statements 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 consolidated financial statements of the Group, and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the Financial Statements of the subsidiaries did not contain any qualification and any adverse comment made under Section 174(3) of the Act.

The supplementary information set out on page 79 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with guidance on 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 ("MIA Guidance) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respect, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the member 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.

**AFRIZAN TARMILI KHAIRUL AZHAR**  
AF 1300  
Chartered Accountants (Malaysia)

Shah Alam, Selangor

Date: 7 April 2016

**HJ TAMILI DULAH KUSNI**  
Chartered Accountant (M)  
1735/01/18 (J)  
Partner



# STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	4	5,567	16,712	-	-
Cost of sales	5	(3,226)	(10,458)	-	-
<b>Gross profit</b>		<b>2,341</b>	6,254	-	-
Other income	6	74	1,654	900	595
Employee benefits expenses	7	(2,594)	(2,880)	(1,262)	(1,560)
Selling and distribution expenses		(140)	(197)	(10)	(20)
Administrative expenses		(2,534)	(2,779)	(1,047)	(1,516)
<b>(Loss)/profit from operations</b>		<b>(2,853)</b>	2,052	<b>(1,419)</b>	(2,501)
Finance costs	8	(699)	(699)	(236)	(236)
<b>(Loss)/profit before tax</b>	9	<b>(3,552)</b>	1,353	<b>(1,655)</b>	(2,737)
Income tax credit	10	133	498	-	-
(Loss)/profit net of tax, attributable to equity holders of the Company		<b>(3,419)</b>	1,851	<b>(1,655)</b>	(2,737)
<b>Other comprehensive income net of tax,</b>					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment		-	3,758	-	-
Revaluation of investment property		-	3,374	-	3,374
		-	7,132	-	3,374
<b>Total comprehensive income attributable to equity holders of the company of the Company</b>		<b>(3,419)</b>	8,983	<b>(1,655)</b>	637
<b>Basic earnings per share attributable to shareholders of the Company (sen) :</b>					
Basic	11	<b>(6.84)</b>	3.70		

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 RM'000	Group 2014 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	<b>18,963</b>	19,366
Investment properties	14	<b>13,955</b>	13,955
Deferred tax assets	15	<b>50</b>	-
Total non-current assets		<b>32,968</b>	33,321
<b>Current assets</b>			
Inventories	16	<b>282</b>	412
Trade and other receivables	17	<b>6,587</b>	7,302
Cash and bank balances		<b>435</b>	891
Total current assets		<b>7,304</b>	8,605
<b>Total assets</b>		<b>40,272</b>	41,926
<b>Current liabilities</b>			
Trade and other payables	20	<b>8,395</b>	6,254
Hire Purchase Payables	19	<b>59</b>	59
Borrowings	19	<b>750</b>	1,110
Tax liabilities		<b>6,468</b>	6,415
		<b>15,672</b>	13,838
Total net current liabilities		<b>(8,368)</b>	(5,233)
<b>Non-current liabilities</b>			
Borrowings	19	<b>7,770</b>	7,775
Hire Purchase Payables	19	<b>119</b>	183
Deferred tax liabilities	15	<b>164</b>	164
<b>Total liabilities</b>		<b>23,725</b>	21,960
<b>Equity attributable to owners of the Company</b>			
Share capital	18	<b>25,000</b>	25,000
Reserves	18	<b>12,605</b>	12,605
Accumulated losses		<b>(21,058)</b>	(17,639)
<b>Total equity</b>		<b>16,547</b>	19,966
<b>Total equity and liabilities</b>		<b>40,272</b>	41,926

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (CONT'D)

	Note	Company	
		2015 RM'000	2014 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	435	474
Investment properties	14	13,955	13,955
Investment in subsidiaries	12	19,685	19,685
Total non-current assets		34,075	34,114
<b>Current assets</b>			
Trade and other receivables	16	306	306
Cash and bank balances		42	40
Total current assets		348	346
<b>Total assets</b>		<b>34,423</b>	<b>34,460</b>
<b>Current liabilities</b>			
Trade and other payables	20	19,562	18,004
Borrowings	19	300	720
Tax liabilities		2,451	2,327
Total net current liabilities		(21,965)	(20,705)
<b>Non-current liabilities</b>			
Borrowings	19	1,721	1,365
<b>Total Liabilities</b>		<b>24,034</b>	<b>22,416</b>
<b>Equity attributable to owners of the Company</b>			
Share capital	18	25,000	25,000
Reserves	18	6,847	6,847
Accumulated losses		(21,458)	(19,803)
<b>Total equity</b>		<b>10,389</b>	<b>12,044</b>
<b>Total equity and liabilities</b>		<b>34,423</b>	<b>34,460</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Group	← Attributable to shareholders of the Company →				Total equity RM'000
	← Distributable/(non-distributable) →				
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	(Accumulated losses) RM'000	
<b>At 1 January 2015</b>	<b>25,000</b>	<b>3,473</b>	<b>9,132</b>	<b>(17,639)</b>	<b>19,966</b>
Loss for the year	-	-	-	(3,419)	(3,419)
<b>At 31 December 2015</b>	<b>25,000</b>	<b>3,473</b>	<b>9,132</b>	<b>(21,058)</b>	<b>16,547</b>
<b>At 1 January 2014</b>	25,000	3,473	2,000	(19,490)	10,983
Revaluation of property, plant and equipment	-	-	3,758	-	3,758
Revaluation of investment property	-	-	3,374	-	3,374
Profit for the year	-	-	-	1,851	1,851
Other comprehensive income for the financial year	-	-	7,132	-	7,132
Total other comprehensive income for the year	-	-	7,132	1,851	8,983
<b>At 31 December 2014</b>	<b>25,000</b>	<b>3,473</b>	<b>9,132</b>	<b>(17,639)</b>	<b>19,966</b>
Company	← Distributable/(non-distributable) →				Total equity RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	(Accumulated losses) RM'000	
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	(Accumulated losses) RM'000	
<b>At 1 January 2015</b>	<b>25,000</b>	<b>3,473</b>	<b>3,374</b>	<b>(19,803)</b>	<b>12,044</b>
Loss for the year	-	-	-	(1,655)	(1,655)
<b>At 31 December 2015</b>	<b>25,000</b>	<b>3,473</b>	<b>3,374</b>	<b>(21,458)</b>	<b>10,389</b>
<b>At 1 January 2014</b>	25,000	3,473	-	(17,066)	11,407
Revaluation of investment property	-	-	3,374	-	3,374
Loss for the year	-	-	-	(2,737)	(2,737)
Other comprehensive income for the financial year	-	-	3,374	-	3,374
<b>Total other comprehensive income for the year</b>	-	-	3,374	(2,737)	637
<b>At 31 December 2014</b>	<b>25,000</b>	<b>3,473</b>	<b>3,374</b>	<b>(19,803)</b>	<b>12,044</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit before tax	<b>(3,552)</b>	1,353	<b>(1,655)</b>	(2,737)
Adjustments for :				
Depreciation of investment properties	-	195	-	195
Depreciation of property, plant and equipment	<b>437</b>	474	<b>46</b>	44
Gain on disposal of properties, plant and equipment	-	(6)	-	(6)
Impairment loss on :				
- receivables	<b>(65)</b>	-	-	-
Reversal of accruals	-	(1,654)	-	(216)
Interest expense	<b>699</b>	699	<b>236</b>	236
Interest income	<b>(1)</b>	(4)	-	-
<b>Operating (loss)/profit before changes in working capital</b>	<b>(2,482)</b>	1,057	<b>(1,373)</b>	(2,484)
Working capital changes:				
Decrease/(Increase) in inventories	<b>130</b>	(96)	-	-
Decrease in receivables, deposits and prepayments	<b>780</b>	691	-	52
(Decrease)/Increase in payables and accruals	<b>(229)</b>	2,049	<b>401</b>	118
Increase in amount due to director	<b>2,584</b>	-	<b>2,439</b>	-
Net change in intercompany balances	-	-	<b>(1,158)</b>	3,360
<b>Cash generated from operations</b>	<b>783</b>	3,701	<b>309</b>	1,046
Interest paid	<b>(699)</b>	(699)	<b>(236)</b>	(236)
Tax paid	<b>(78)</b>	(1,322)	-	(538)
<b>Net cash from operating activities</b>	<b>6</b>	1,680	<b>73</b>	272

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows used in investing activities</b>				
Acquisition of property, plant and equipment	(34)	(319)	(7)	(2)
Proceed from sale of property, plant and equipment	-	6	-	6
Interest received	1	4	-	-
<b>Net cash used in investing activities</b>	<b>(33)</b>	<b>(309)</b>	<b>(7)</b>	<b>4</b>
<b>Cash flows used in financing activities</b>				
Payments of finance lease	(64)	(60)	-	-
Repayments of restructured loans and term loans	(365)	(1,034)	(64)	(355)
<b>Net cash used in financing activities</b>	<b>(429)</b>	<b>(1,094)</b>	<b>(64)</b>	<b>(355)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(456)</b>	<b>277</b>	<b>2</b>	<b>(79)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>891</b>	<b>614</b>	<b>40</b>	<b>119</b>
<b>Cash and cash equivalents at 31 December</b>	<b>435</b>	<b>891</b>	<b>42</b>	<b>40</b>

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 1. CORPORATE INFORMATION

PJBumi Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are described in Note 12 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 7 April 2016.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the respective significant accounting policies.

The financial statements are presented in Ringgit Malaysia.

### 2.2 Use of estimates and judgements

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

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

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

- Note 15 - recognition of deferred tax assets/liabilities

### 2.3 Standards and interpretations issued but not yet effective

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Standards and interpretations issued but not yet effective (cont'd)

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- MFRS 14, Regulatory Deferral Accounts
- Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- 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 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiative
- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
- Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers

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

#### ***MFRS 15, Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

#### ***MFRS 9, Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost. It is expected that the Group's investment in unquoted shares will be measured at fair value through other comprehensive income.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies

#### (a) Basis of consolidation

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

- The Group controls exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

#### (i) Subsidiaries

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

#### (ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd)

#### (a) Basis of consolidation (cont'd)

##### (iii) Loss of control

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

##### (iv) Non-controlling interests

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

##### (v) Transaction eliminated on consolidation

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

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

#### (b) Property, plant and equipment

##### (i) Recognition and measurements

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd.)

#### (b) Property, plant and equipment (cont'd)

##### (ii) Subsequent costs

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

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

Buildings	2%
Plant and machinery, office equipment and furniture and fittings	10% - 20%
Motor vehicles	20%
Computer Hardware and Software	10% - 33%

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

#### (c) Investment properties

##### (i) Investment property carried at fair value

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capital borrowing costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd.)

#### (c) Investment properties (cont'd)

##### (i) Investment property carried at fair value (cont'd)

An investment properties is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

##### (ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

#### (d) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss in the year the assessment is carried out. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd.)

#### (e) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

#### (f) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determines the classification of their financial assets at initial recognition, and the categories include financial assets as loans and receivables and available-for-sale financial assets.

##### (i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

##### (ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd.)

#### (f) Financial assets (cont'd)

##### (ii) Available-for-sale financial assets (cont'd)

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commits to purchase or sell the asset.

#### (g) Impairment of financial assets

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

##### (i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account

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, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd.)

#### (g) Impairment of financial assets (cont'd)

##### (ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, 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 discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

##### (iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

#### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

#### (i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

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

#### (j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd.)

#### (j) Provisions (cont'd)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### (k) Financial liabilities

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

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

##### (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

##### (ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

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.

Loans and 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.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of Significant accounting policies (cont'd.)

#### (k) Financial liabilities (cont'd)

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### (l) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

#### (m) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### (n) Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (o) Leases

##### (i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (o) Leases (cont'd)

##### (i) As lessee (cont'd)

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

##### (ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

#### (p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

##### (i) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

##### (ii) Rendering of services

Revenue from services rendered is recognised net of service taxes and discount as and when the services are performed.

##### (iii) Interest income

Interest income is recognised using the effective interest method.

##### (iv) Management fees

Management fees are recognised when services are rendered.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of significant accounting policies (cont'd)

#### (p) Revenue (cont'd)

##### (v) Rental income

Rental income is accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (q) Income taxes

##### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

##### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of significant accounting policies (cont'd)

#### (q) Income taxes (cont'd)

##### (ii) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (r) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

#### (s) Finance Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Summary of significant accounting policies (cont'd)

#### (t) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 21, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### (u) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

#### (v) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows :

- Level 1: quoted prices(unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Key sources of estimation uncertainty

Other than disclosed elsewhere, the key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed.

#### (a) Impairment of loans and receivables

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

#### (b) Deferred tax assets

Deferred tax assets are recognised for unabsorbed capital allowances and other temporary differences to the extent that it is probable that taxable profit will be available against which unabsorbed capital allowances and other temporary differences can be utilised. Significant management judgement 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. The unrecognised tax losses, capital allowances and other temporary differences of the Group was RM12,768,000 (2014: RM10,164,000).

### 4. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sales of goods	821	1,028	-	-
Services rendered	4,746	15,684	-	-
	5,567	16,712	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 5. COST OF SALES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cost of sales</b>				
Cost of goods sold	427	538	-	-
Cost of services	2,799	9,920	-	-
	<b>3,226</b>	10,458	-	-

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM427,000 (2014: RM538,000).

## 6. OTHER INCOME

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gain on disposal of property, plant and equipment	-	6	-	6
Interest income	1	27	-	23
Reversal on settlement of term loan	-	817	-	350
Reversal of provisions for other creditors	-	804	-	216
Reversal of negative trade debtors	65	-	-	-
Resubmission of sewerage application	8	-	-	-
Management fee	-	-	900	-

## 7. EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries, bonus and others	2,318	2,570	1,137	1,400
Contribution to employees provident Fund	248	273	118	148
Social security costs	25	28	7	9
Other staff related expenses	3	9	-	3
	<b>2,594</b>	2,880	<b>1,262</b>	1,560

The total number of employees of the Group and the Company (including directors) at the financial year ended was 73 and 22 (2014 : 72 and 21)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 7. EMPLOYEE BENEFIT EXPENSES (CONT'D)

Included in employee benefits expenses of the Group and of the Company are directors' remuneration. The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Directors' remuneration:</b>				
Directors' fees	<b>110</b>	114	<b>110</b>	114

The number of directors of the company whose total remuneration during the financial year fell within the following bands is analysed below :

	Number of directors	
	2015	2014
Non executive directors :		
RM0 to RM50,000	<b>4</b>	4

## 8. FINANCE COST

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest on borrowings	<b>699</b>	699	<b>236</b>	236

## 9. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss)/profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- current year	<b>107</b>	128	<b>42</b>	55
- over provision in prior year	<b>(21)</b>	-	<b>(13)</b>	-
Amortisation of investment properties	-	195	-	195
Depreciation of property, plant and equipment	<b>437</b>	474	<b>46</b>	44
Rental expense:				
- motor vehicles	<b>2</b>	7	-	-
- office equipment	<b>13</b>	15	<b>13</b>	13
- office premises	<b>363</b>	340	<b>324</b>	324

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 10. INCOME TAX CREDIT

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Income tax</b>				
Current year	6	740	-	-
Over provision in prior years	(89)	(1,139)	-	-
	<b>(83)</b>	<b>(399)</b>	-	-
<b>Deferred tax (Note 15)</b>				
Current year	(50)	31	-	-
Over provision in prior years	-	(130)	-	-
	<b>(50)</b>	<b>(99)</b>	-	-
Income tax credit	<b>(133)</b>	<b>(498)</b>	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014 : 25%) assessable profit for the year.

The reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31 December 2015 and 2014 are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss)/profit before tax	<b>(3,552)</b>	1,353	<b>(1,655)</b>	(2,737)
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	<b>(888)</b>	338	<b>(414)</b>	(684)
Expenses not deductible for tax purposes	<b>193</b>	315	<b>166</b>	248
Income not subject to tax	-	(31)	-	(31)
Deferred tax assets not recognised during the year	<b>651</b>	149	<b>248</b>	148
Utilisation of deferred tax assets previously not recognised	-	-	-	319
Over provision of income tax expense in prior years	<b>(89)</b>	(1,139)	-	-
Over provision of deferred tax in prior years	-	(130)	-	-
Income tax credit	<b>(133)</b>	<b>(498)</b>	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 11. BASIC (LOSS)/EARNINGS PER ORDINARY SHARE

The calculation of basic earnings/(loss) per ordinary share is based on the net profit/(loss) attributable to ordinary shareholders divided by the number of ordinary shares outstanding during the financial year.

	Group	
	2015 RM'000	2014 RM'000
(Loss)/profit attributable to ordinary shareholders of the Company	(3,419)	1,851
Number of ordinary shares in issue ('000)	50,000	50,000
Basic (loss)/earnings per share (sen)	(6.84)	3.70

## 12. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	33,500	33,500
Less: Accumulated impairment loss	(13,815)	(13,815)
	19,685	19,685

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
PJBumi Composites Sdn. Bhd.	Manufacture and sale of Fibre Reinforced Plastic ("FRP") Sewerage treatment plants and other FRP products	Malaysia	100	100
PJBumi Waste Management Sdn. Bhd.	Investment holding, solid waste management, garbage collection, area cleaning and other related activities	Malaysia	100	100
PJBumi Services Sdn. Bhd.	After-sales support services including connecting works of FRP tanks and mechanical and electrical equipment, providing maintenance, upgrading and/or rectification works, desludging works and sludge treatment	Malaysia	100	100
PJBumi Construction Sdn. Bhd.	Undertake works for civil, mechanical, electrical and erection engineering.	Malaysia	100	100
PJBumi Resources Sdn. Bhd.	Trading, logging and mining "currently dormant"	Malaysia	100	100

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 13. PROPERTY, PLANT AND EQUIPMENT

### Group

	Freehold land RM'000	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
<b>2015</b>					
<b>Cost</b>					
At 1 January 2015	8,057	14,662	4,262	1,480	28,461
Addition	-	-	34	-	34
At 31 December 2015	8,057	14,662	4,296	1,480	28,495
<b>Accumulated depreciation and impairment loss</b>					
At 1 January 2015					
- Accumulated depreciation	606	3,262	3,997	1,230	9,095
Depreciation for the year	-	303	72	62	437
At 31 December 2015	606	3,565	4,069	1,292	9,532
<b>Net carrying amount</b>					
At 31 December 2015	7,451	11,097	227	188	18,963

The entire freehold land and building are pledged as security for bank borrowings (Note 19).

The Group net book value of motor vehicles under finance lease arrangement is RM177,636 (2014 : RM236,848).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Group (cont'd.)

	Freehold land RM'000	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
<b>31.12.2014</b>					
<b>Cost</b>					
At 1 January 2014	6,067	12,894	4,253	1,170	24,384
Addition	-	-	9	310	319
Revaluation	1,990	1,768	-	-	3,758
At 31 December 2014	8,057	14,662	4,262	1,480	28,461
<b>Accumulated depreciation and impairment loss</b>					
At 1 January 2014					
- Accumulated depreciation	606	2,929	3,916	1,170	8,621
Depreciation for the year	-	333	81	60	474
At 31 December 2014	606	3,262	3,997	1,230	9,095
<b>Net carrying amount</b>					
At 31 December 2014	<b>7,451</b>	<b>11,400</b>	<b>265</b>	<b>250</b>	<b>19,366</b>

The valuation for freehold land and buildings were prepared by a qualified external valuer using a comparative method of valuation. The valuation was performed on 15 March 2013. The Directors are of the opinion that the value of properties do not vary significantly than the last valuation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Company

	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
<b>2015</b>				
<b>Cost</b>				
At 1 January 2015	497	2,179	726	3,402
Addition	-	7	-	7
At 31 December 2015	497	2,186	726	3,409
<b>Accumulated depreciation and impairment loss</b>				
At 1 January 2015				
- Accumulated depreciation	187	2,015	726	2,928
Depreciation for the year	9	37	-	46
At 31 December 2015	196	2,052	726	2,974
<b>Net carrying amount</b>				
At 31 December 2015	301	134	-	435
<b>2014</b>				
<b>Cost</b>				
At 1 January 2014	497	2,177	726	3,400
Addition	-	2	-	2
At 31 December 2014	497	2,179	726	3,402
<b>Accumulated depreciation</b>				
At 1 January 2014				
- Accumulated depreciation	178	1,980	726	2,884
Depreciation for the year	9	35	-	44
At 31 December 2014	187	2,015	726	2,928
<b>Net carrying amount</b>				
At 31 December 2014	310	164	-	474



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 14. INVESTMENT PROPERTIES

	<b>Group and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>		
At 1 January	<b>15,780</b>	12,406
Revaluation reserve	-	3,374
At 31 December	<b>15,780</b>	15,780
<b>Accumulated depreciation and impairment loss</b>		
At 1 January		
- Accumulated depreciation	<b>1,825</b>	1,630
Depreciation charge for the year	-	195
At 31 December		
- Accumulated depreciation	<b>1,825</b>	1,825
<b>Net carrying amount</b>	<b>13,955</b>	13,955
Fair value of investment properties	<b>13,955</b>	13,955

Included in the above are:

	<b>Group and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Freehold land	<b>8,099</b>	8,099
Building	<b>5,856</b>	5,856
	<b>13,955</b>	13,955

The valuation of investment properties were prepared by a qualified external valuer using a comparative method of valuation. The valuation was performed on 15 March 2013. The Directors are of the opinion that the value of properties do not vary significantly than the last valuation.

### Security

The entire freehold land and building are pledged as security for bank borrowings (Note 19).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 15. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2015 RM'000	2014 RM'000
At 1 January	164	263
Reversal of deferred tax	-	(130)
Transfer to profit or loss (Note 10)	(50)	31
At 31 December	<b>114</b>	164

The components and movement of deferred tax liabilities and assets during the year prior to offsetting are as follows :

### Deferred tax assets of the Group:

	Unabsorbed capital allowances RM'000	Unutilised tax losses RM'000	Total RM'000
At 1 January 2014	-	7,156	7,156
Recognised in profit and loss	40	519	559
At 31 December 2014	40	7,675	7,715
Recognised in profit and loss	43	145	188
At 31 December 2015	<b>83</b>	<b>7,820</b>	<b>7,903</b>

### Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000
At 1 January 2014	8,372
Recognised in profit and loss	-
At 31 December 2014	8,372
Recognised in profit and loss	31
At 31 December 2015	<b>8,403</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group	
	2015 RM'000	2014 RM'000
Other deductible temporary differences	(10,311)	(368)
Unutilised business losses	22,171	10,449
Unabsorbed capital allowances	908	83
	12,768	10,164
	Company	
	2015 RM'000	2014 RM'000
Property, plant and equipment	(348)	(367)
Unutilised business losses	11,378	10,425
Unabsorbed capital allowances	103	83
	11,133	10,141

Deferred tax asset have not been recognised in respect of the items because it is not probable that future taxable profit will be available against which the Company and its subsidiaries can utilise the benefits.

The unutilised business losses, unabsorbed capital allowances and other deductible temporary differences are available indefinitely for offset against future taxable profits subject to no substantial change in shareholdings of the Company and the respective subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967.

## 16. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
At cost:		
Raw materials	-	1
Tools and accessories	282	411
	282	412

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 17. TRADE AND OTHER RECEIVABLES

	Note	Group	
		2015 RM'000	2014 RM'000
<b>Trade</b>			
Trade receivables	17.1	10,279	10,893
Less: Allowance for impairment loss	17.3	(5,939)	(5,939)
		<b>4,340</b>	4,954
<b>Non-trade</b>			
Other receivables		2,063	2,267
Less: Allowance for impairment loss		(204)	(204)
		<b>1,859</b>	2,063
Deposits		387	284
Prepayments		1	1
		<b>2,247</b>	2,348
Total trade and other receivables		<b>6,587</b>	7,302
<b>Company</b>			
	Note	2015 RM'000	2014 RM'000
<b>Trade</b>			
Trade receivables	17.1	442	442
Less: Allowance for impairment loss	17.3	(422)	(422)
		<b>20</b>	20
<b>Non-trade</b>			
Amounts due from subsidiaries	17.2	4	4
Other receivables		84	84
Deposits		198	198
Total trade and other receivables		<b>306</b>	306

### Note 17.1

The Group's and the Company's normal trade credit term is 30 to 60 days (2014: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has significant concentration of credit risk from a group and a single customer. As at 31 December 2015, included in trade receivables is an amount owing from a group and a single customer amounting to RM1,675,953 (2014: RM2,713,885).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 17. TRADE AND OTHER RECEIVABLES (CONT'D)

### Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables are as follows:

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	993	965
1 to 30 days past due not impaired	299	984
31 to 60 days past due not impaired	918	500
61 to 90 days past due not impaired	206	52
91 to 120 days past due not impaired	94	170
More than 121 days past due not impaired	1,830	2,283
	<b>4,340</b>	4,954
Impaired	<b>5,939</b>	5,939
	<b>10,279</b>	10,893
	Company	
	2015 RM'000	2014 RM'000
More than 121 days past due not impaired	20	20
Impaired	422	422
	<b>442</b>	442

### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the year.

### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,347,000 (2014: RM3,989,000) that is past due at the reporting date but not impaired and are unsecured in nature. Trade receivables that are past due but not impaired are creditworthy debtors, who by past trade practice, have paid after the expiry of the trade credit terms and the Group is currently still in active trading with the debtors. The Group does not anticipate recovery problem in respect of these debtors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 17. TRADE AND OTHER RECEIVABLES (CONT'D)

### Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables - nominal account	5,939	5,939
Less: Allowance for impairment	(5,939)	(5,939)
	-	-

### Note 17.2

The amount due from subsidiaries are in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

### Note 17.3

The movement of allowance accounts used to record the individual impairment are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	5,939	5,939
Charge for the year	-	-
At 31 December	5,939	5,939

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	422	422
Charge for the year	-	-
At 31 December	422	422

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 18. SHARE CAPITAL AND RESERVES

### Share capital

	Group and Company Number of ordinary shares of RM0.50 each	
	2015 RM'000	2014 RM'000
<b>Authorised share capital</b>		
At the beginning/end of the year	200,000	200,000
<b>Issued and fully paid:</b>		
At the beginning/end of the year	50,000	50,000
	Amount	
	2015 RM'000	2014 RM'000
<b>Authorised share capital</b>		
At the beginning/end of the year	100,000	100,000
<b>Issued and fully paid:</b>		
At the beginning/end of the year	25,000	25,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company residual interests.

### Reserves

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Accumulated losses</b>		(21,058)	(17,639)	(21,458)	(19,803)
<b>Non-distributable :</b>					
Share premium	(a)	3,473	3,473	3,473	3,473
Revaluation reserve	(b)	9,132	9,132	3,374	3,374
		<b>12,605</b>	12,605	<b>6,847</b>	6,847

#### (a) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

#### (b) Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment and investment property.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 19. BORROWINGS

This note provides information about the contractual terms of the Group's and of the Company's interest-bearing loans and borrowings. For more information about the Group's and the Company's exposure to interest risk, see note 22.

	Group	
	2015 RM'000	2014 RM'000
<b>Non-current</b>		
Secured:		
Restructured loan	7,770	7,775
Hire purchase	119	183
	7,889	7,958
<b>Current</b>		
Secured:		
Restructured loan	600	960
Term loans	150	150
Hire purchase	59	59
	809	1,169
<b>Total</b>	8,698	9,127
	Company	
	2015 RM'000	2014 RM'000
<b>Non-current</b>		
Secured term loans	1,721	1,365
<b>Current</b>		
Secured term loans	300	720
<b>Total</b>	2,021	2,085

During the financial year, the Group had restructured a loan of RM6,499,524 of a subsidiary which is repayable by monthly installments of RM25,000 each commencing from July 2015 until full settlement of the principal or disposal of the pledged property.

The borrowings bear effective interest at rates ranging from 8% to 9.5% (2014: 9.1% to 10.6%) per annum.

The borrowings are secured by:

- (i) fixed charge over the freehold land and buildings of the Group and of the Company (Notes 13 and 14);
- (ii) a negative pledge over the Company's and certain subsidiaries' assets; and
- (iii) corporate guarantee given by the Company and a subsidiary.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 19. BORROWINGS (CONT'D)

The maturity of the borrowings are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Under 1 year	809	1,169	300	720
1 - 2 years	809	1,429	300	720
2 - 5 years	2,427	4,959	900	645
Over 5 years	4,653	1,570	521	-
	<b>8,698</b>	9,127	<b>2,021</b>	2,085

## 20. TRADE AND OTHER PAYABLES

	Note	Group	
		2015 RM'000	2014 RM'000
<b>Current</b>			
<b>Trade</b>			
Trade payables	20.1	3,491	4,453
<b>Non-trade</b>			
Other payables		1,852	1,488
Accrued expenses		441	313
GST		27	-
Amount due to a director	20.2	2,584	-
		<b>8,395</b>	6,254

Included in other payables is provision made for EPF as a result of the demand received from Employer Provident Fund ("EPF") (Note 25). The Group assumed a contingent liability related to a legal action for defaulted contribution from June 2006 to August 2007 and from October 2007 to January 2008 amounting to RM409,547.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 20. TRADE AND OTHER PAYABLES (CONT'D)

	Note	Company	
		2015 RM'000	2014 RM'000
<b>Current</b>			
<b>Trade</b>			
Trade payables	20.1	415	281
<b>Non-trade</b>			
Other payables		119	119
Accrued expenses		296	166
Goods and service tax		13	-
Amount due to a director	20.2	2,439	-
Amount due to a subsidiary	20.3	16,280	17,438
		<b>19,562</b>	<b>18,004</b>

### Note 20.1

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and to the Company range from 30 days to 60 days.

### Note 20.2

The amount due to a director, Adlin bin Shaharudin is in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or another entities.

### Note 20.3

The amount due to a subsidiary is in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

## 21. SEGMENTAL REPORTING

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purpose of resource and allocation and assessment of segment performance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 21. SEGMENTAL REPORTING (CONT'D)

Accordingly, the Group's reportable segments under MFRS 8 are as follows:

- |   |   |
|---|---|
| (i) Manufacturing                         | - manufacturing of Fibre Reinforced Plastic ("FRP"), Reinforced Concrete Sewerage Treatment Plants ("STP") and Underground Storage Tanks ("UST"). |
| (ii) Construction, Maintenance and design | - Construction, maintenance, after-sales support services and design of FRP, STP and UST.   |
| (iii) Waste management services           | - solid waste management, garbage collection, area cleaning, dump processing and other related activities.  |
| (iv) Investment                           | - investment holding and management services.   |

### Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.4 (t). Segment results represent profit or loss before finance costs, interest income and tax expense. Inter-segment transactions are entered into in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

### Segment asset

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax recoverable.

### Segment liabilities

Segment liabilities are measured based on all liabilities, excluding tax liabilities and deferred tax liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 21. SEGMENTAL INFORMATION (CONT'D)

Segment Revenue	Manufacturing		Construction, maintenance and design		Waste management services		Construction		Resources		Investment		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External customers	1,821	2,517	1,552	1,094	1,949	13,101	245	-	-	-	-	-	-	-	5,567	16,712
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>1,821</b>	<b>2,517</b>	<b>1,552</b>	<b>1,094</b>	<b>1,949</b>	<b>13,101</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,567</b>	<b>16,712</b>
<b>Segment results</b>	<b>(818)</b>	<b>511</b>	<b>(432)</b>	<b>(111)</b>	<b>(212)</b>	<b>4,186</b>	<b>32</b>	<b>(29)</b>	<b>(5)</b>	<b>(8)</b>	<b>(1,419)</b>	<b>(2,501)</b>	<b>-</b>	<b>-</b>	<b>(2,854)</b>	<b>2,048</b>
Finance costs	<b>(453)</b>	(453)	-	-	<b>(10)</b>	(10)	-	-	-	-	<b>(236)</b>	(236)	-	-	<b>(699)</b>	(699)
Interest income	-	-	-	-	<b>1</b>	4	-	-	-	-	-	-	-	-	<b>1</b>	4
(Loss)/profit before tax	-	-	-	-	<b>139</b>	397	<b>(6)</b>	-	-	-	-	-	-	-	<b>(3,552)</b>	1,353
Tax expense	-	101	-	-	<b>139</b>	397	<b>(6)</b>	-	-	-	-	-	-	-	<b>133</b>	498
(Loss)/profit for the year	-	101	-	-	<b>139</b>	397	<b>(6)</b>	-	-	-	-	-	-	-	<b>(3,419)</b>	1,851

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 21. SEGMENTAL INFORMATION (CONT'D)

	Manufacturing		Construction, maintenance and design		Waste management services		Construction		Resources		Investment		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment assets</b>	<b>22,726</b>	<b>23,858</b>	<b>1,608</b>	<b>1,511</b>	<b>33,874</b>	<b>35,080</b>	<b>714</b>	<b>451</b>	-	-	<b>34,423</b>	<b>34,460</b>	<b>(53,123)</b>	<b>(53,434)</b>	<b>40,222</b>	<b>41,926</b>
Unallocated assets	-	-	-	-	<b>50</b>	-	-	-	-	-	-	-	-	-	<b>50</b>	-
<b>Total assets</b>	<b>22,726</b>	<b>23,858</b>	<b>1,608</b>	<b>1,511</b>	<b>33,924</b>	<b>35,080</b>	<b>714</b>	<b>451</b>	-	-	<b>34,423</b>	<b>34,460</b>	<b>(53,123)</b>	<b>(53,434)</b>	<b>40,272</b>	<b>41,926</b>
Segment liabilities	<b>24,568</b>	<b>24,508</b>	<b>2,566</b>	<b>2,038</b>	<b>1,245</b>	<b>2,189</b>	<b>550</b>	<b>293</b>	-	-	<b>21,583</b>	<b>20,089</b>	<b>(33,419)</b>	<b>(33,736)</b>	<b>17,093</b>	<b>15,381</b>
Unallocated liabilities	<b>2,741</b>	<b>2,664</b>	-	-	<b>1,411</b>	<b>1,540</b>	<b>29</b>	<b>48</b>	-	-	<b>2,451</b>	<b>2,327</b>	-	-	<b>6,632</b>	<b>6,579</b>
<b>Total liabilities</b>	<b>27,309</b>	<b>27,172</b>	<b>2,566</b>	<b>2,038</b>	<b>2,656</b>	<b>3,729</b>	<b>579</b>	<b>341</b>	-	-	<b>24,034</b>	<b>22,416</b>	<b>(33,419)</b>	<b>(33,736)</b>	<b>23,725</b>	<b>21,960</b>
<b>Other segment information</b>																
Depreciation of property, plant and equipment	<b>310</b>	<b>356</b>	<b>10</b>	<b>11</b>	<b>70</b>	<b>63</b>	-	-	-	-	<b>47</b>	<b>239</b>	-	-	<b>437</b>	<b>669</b>
Impairment loss on - receivables	<b>(65)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(65)</b>	-
Reversal of other creditors	-	<b>(588)</b>	-	-	-	-	-	-	-	-	-	<b>(216)</b>	-	-	-	<b>(804)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 21. SEGMENTAL INFORMATION (CONT'D)

### Major customers

The following are major customers with revenue equal or more than 10% of the Group's revenue:

	Revenue		Segment
	2015 RM'000	2014 RM'000	
- Customer A	1,937	13,101	Waste management services

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Financial Controller. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

### (i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk primarily arises from its trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position and financial guarantee to a bank in respect of banking facility granted to an affiliated company.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all new customers who wish to trade on credit terms are subject to credit evaluation procedures. In addition, receivable balances are monitored on an ongoing basis to minimise the Company's exposure to bad debts.

The Group has significant concentration of credit risk from a group and a single customer. As at 31 December 2015, included in trade receivables is an amount owing from a group and a single customer amounting to RM1,675,953 (2014: RM2,713,885).

### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### (ii) Liquidity risk (cont'd)

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities. This include maintains adequate cash and cash equivalent by the management to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The repayment schedule of most defaulted banking facilities of the Group and of the Company have been restructured in the previous years. The Group actively manages its operating cash flows so as to ensure that all repayment and funding needs are met.

Analysis of financial instruments by remaining contractual maturity

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

#### 2015

	Contractual Interest rate %	On demand RM'000	Within 1 year RM'000	Within 1 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
Financial liabilities:							
<b>Group</b>							
Trade payables		3,491	-	-	-	3,491	3,491
Other payables		4,904	-	-	-	4,904	4,904
Hire Purchase Payables	3.55	-	57	422	-	479	178
Borrowings	9.90	-	682	8,670	12,998	22,351	8,520
		<b>8,395</b>	<b>739</b>	<b>9,092</b>	<b>12,998</b>	<b>31,225</b>	<b>17,093</b>
<b>Company</b>							
Trade payables		415	-	-	-	415	415
Other payables		19,147	-	-	-	19,147	19,147
Borrowings	9.90	-	273	3,468	296	4,037	2,021
		<b>19,562</b>	<b>273</b>	<b>3,468</b>	<b>296</b>	<b>23,599</b>	<b>21,583</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### (ii) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturity (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations (cont'd):

2014	Contractual interest rate %	On demand RM'000	Within 1 year RM'000	Within 1 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
Financial liabilities:							
<b>Group</b>							
Trade payables		4,453	-	-	-	4,453	4,453
Other payables		1,801	-	-	-	1,801	1,801
Hire Purchase Payables	3.55	-	57	648	-	705	242
Borrowings	9.90	-	1,010	12,832	5,183	19,025	8,885
			6,254	1,067	13,480	5,183	25,984
							15,381
<b>Company</b>							
Trade payables		281	-	-	-	281	281
Other payables		17,723	-	-	-	17,723	17,723
Borrowings	9.90	-	655	3,945	-	4,600	2,085
			18,004	655	3,945	-	22,604
							20,089

\* As disclosed in Note 19, the Group's restructured loan have no mandatory repayment rate unless the Company dispose off the pledged property. For the purpose of this analysis, the undiscounted payables obligation have been determined based on the assumption that the loan will be repaid at the end of 5 years.

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Loans and borrowings which are at floating interest rate expose the Company to cash flow interest rate risk.

#### Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's profits for the year ended 31 December 2015 and 31 December 2014 would decrease/increase by RM45,000 and RM16,000 respectively as a result of exposure to floating rate borrowings.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

### (a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

### (b) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting. The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

It is not practical to estimate the fair value of the Company's investment in unquoted shares due to lack of active market to determine reliably the fair value of the financial asset. The carrying amount of other financial assets and liabilities recognised in the statements of financial position approximate their fair values.

The following table presents the Group's and the Company's financial assets and liabilities that are measured at fair value as at 31 December into three different levels as defined below :

	Fair value of financial instruments not carried at fair value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Financial assets</b>				
<b>2015</b>				
<b>Group</b>				
Trade and other receivables	-	-	6,587	6,587
Cash and bank balances	-	-	435	435
	-	-	7,022	7,022
<b>Company</b>				
Investment in subsidiaries	-	-	19,685	19,685
Trade and other receivables	-	-	306	306
Cash and bank balances	-	-	42	42
	-	-	20,033	20,033

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

	Fair value of financial instruments not carried at fair value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Financial assets (ont'd)</b>				
<b>2014</b>				
<b>Group</b>				
Trade and other receivables	-	-	7,302	7,302
Cash and bank balances	-	-	891	891
	-	-	8,193	8,193
<b>Company</b>				
Investment in subsidiaries	-	-	19,685	19,685
Trade and other receivables	-	-	306	306
Cash and bank balances	-	-	40	40
	-	-	20,031	20,031

	Fair value of financial instruments not carried at fair value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Financial liabilities</b>				
<b>2015</b>				
<b>Group</b>				
Trade and other payables	-	-	8,395	8,395
Hire purchase payables	-	-	479	178
Borrowings	-	-	22,351	8,520
	-	-	31,225	17,093
<b>Company</b>				
Trade and other payables	-	-	19,562	19,562
Borrowings	-	-	4,037	2,021
	-	-	23,599	21,583

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

	Fair value of financial instruments not carried at fair value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Financial liabilities (cont'd)</b>				
<b>2014</b>				
<b>Group</b>				
Trade and other payables	-	-	6,254	6,254
Hire purchase payables	-	-	705	242
Borrowings	-	-	19,025	8,885
	-	-	25,984	15,381
<b>Company</b>				
Trade and other payables	-	-	18,004	18,004
Borrowings	-	-	4,600	2,085
	-	-	22,604	20,089

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial period/year.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

The fair value of finance lease liabilities is calculated using discounted cash flows where the market rate of interest is determined by reference to similar lease arrangements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT'D)

## 24. CONTINGENCIES

On 18 June 2015, the Company had received a judgement from Kuala Lumpur Court of Appeal against Petronas claim. The Company has to pay Petronas a total sum of RM2,369,946 including 5% interest per annum commencing from 13 August 2010 until full settlement.

Pursuant to this, the Company has filed a Notice of Appeal at the Federal Court and the hearing for this matter is fixed on 17 March 2016.

The Directors after taking into consideration the facts of the above cases, in consultation with the Company's solicitors, are of the opinion that the Company should negotiate with Petronas to make an outside court settlement.

The outcome from the hearing on 17 March 2016 has resulted that Petronas agreed for outside court settlement and dismissed the case. The sum has not been finalized by both parties therefore no provision for any liability has been made to these financial statements.

## 25. SUBSEQUENT EVENTS

On 29 December 2015, PJBumi Services Sdn. Bhd. ("PJBS"), a wholly owned subsidiary of the Company was served with Writ of Summons and Statement of Claim on the defaulted contribution to Employee Provident Fund ("EPF") from June 2006 to August 2007 and from October 2007 to January 2008 amounting to RM409,547.

Pursuant to this, PJBS has negotiated with EPF on monthly settlement proposal. On 11 March 2016, EPF has replied that they are agreeable to 24 monthly installment payment totalling RM409,500 and legal cost of RM1,500.

The Directors after taking into consideration the facts of the above case, in consultation with the Company's solicitors, are of the opinion that the Company to provide the liability in these financial statements.

## 26. RELATED PARTIES

### Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or another entities.

Related parties also include key management personnel as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors of the Company.

The Group has related party relationship with its key management personnel. (See note 7).

## 27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is the net debt divided by total equity plus net debt. Net debt includes loans and borrowing, less cash and bank balances and short term deposits. Capital of the Group represents total equity.

## SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT AND LOSS

The following analysis of realised and unrealised accumulated losses of the Group and of the Company at 31 December 2015 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) dated 25 March 2010 and prepared in accordance with Guidance on 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.

The accumulated losses of the Group and of the Company is analysed as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total accumulated losses of the Company and its subsidiaries				
- realised	<b>(21,108)</b>	(24,771)	<b>(21,458)</b>	(23,177)
- unrealised	<b>50</b>	7,132	-	3,374
	<b>(21,058)</b>	(17,639)	<b>(21,458)</b>	(19,803)

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

## LIST OF PROPERTIES

No	Address	Description	Sq.Ft	Existing use	Tenure	Age of building	*Net book value
1	Lot 46-1 Jalan Setiawangsa 11A Taman Setiawangsa 54200 Kuala Lumpur	Building	1,000	Vacant	Freehold	25 years	69,227
2	Lot 5.5.006 Wisma Prima Peninsula Jalan Setiawangsa 11 Taman Setiawangsa 54200 Kuala Lumpur	Building	1,215	Office Suite (Rented)	Freehold	-	240,480
3	(Plot 1) Lot 9 & 10 Jalan 9, Kawasan MIEL Fasa V Estate 08000 Sungai Petani Kedah Darul Aman	Factory Land and Building	496,539	Factory	Freehold	13 years	18,247,465
4	Plot 2, PT60593 08000 Sungai Petani Kedah Darul Aman	Factory Land and Building	201,716	Factory	Malay Reserve	16 years	8,255,342
5	Plot 3, PT60594 08000 Sungai Petani Kedah Darul Aman	Land	200,351	-	Malay Reserve	16 years	2,400,000
6	Plot 4, PT60595 08000 Sungai Petani Kedah Darul Aman	Land	218,410	-	Freehold	16 years	3,300,000

# SHAREHOLDINGS ANALYSIS

AS AT 23 MARCH 2016

Authorised Capital	RM100,000,000.00
Issued and fully paid-up capital	RM25,000,000.00
Class of shares	Ordinary shares of RM0.50 each
Voting Rights	One vote per ordinary share

## Classification of Shareholders

Category of Shareholders	Malaysian		Foreign	
	No. of shares	%	No. of shares	%
1. Individual	17,709,181	35.42	152,009	0.30
2. Body Corporate				
a. Banks / Finance Companies	12,000	0.02	-	-
b. Trusts / Foundation / Charity	19,000	0.04	-	-
c. Private / Limited Company	16,132,600	32.26	-	-
3. Nominees	9,194,210	18.39	6,781,000	13.56
	43,066,991	86.13	6,933,009	13.86

Size of shareholdings	No. of shareholders	No. of shares	% of shareholdings
<100	8	331	0.00
100-1,000	228	183,381	0.37
1,001 – 10,000	326	1,776,006	3.55
10,001 – 100,000	192	6,655,954	13.31
100,001 - < 5% issued shares	62	20,102,208	40.21
5% and above of issued shares	2	21,282,300	42.56
	818	50,000,000	100.00

## List of Substantial Shareholders

Name	Direct Interest	No. of shares held	
		%	Deemed Interest
EMEF Technology Sdn Bhd	15,169,000	30.34	-
DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An For Bank of Singapore Limited	6,113,300	12.23	-
CMA i Capital Sdn Bhd			*15,169,000
Adlin bin Shaharudin			**15,169,000

## Directors' Shareholdings

Name	Direct Interest	No. of shares held	
		%	Deemed Interest
Abdul Rahman bin Haji Siraj	-	-	-
Ahmad bin Md Daud	-	-	-
Nik Md Nor Suhaimi bin Nik Ibrahim	-	-	-
Adlin bin Shaharudin	-	-	**15,169,000

### Note :

\* Deemed interested by virtue of holding substantial interest in the shares of EMEF Technology Sdn Bhd

\*\* Deemed interested by virtue of holding substantial interest in the shares of CMA i Capital Sdn Bhd

# SHAREHOLDINGS ANALYSIS

AS AT 23 MARCH 2016 (CONT'D)

## 30 Largest Shareholders as at 23 March 2016

No.	Shareholders	Shareholding	%
1.	EMEF Technology Sdn Bhd	15,169,000	30.34
2.	DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An For Bank Of Singapore Limited	6,113,300	12.23
3.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mohd Shafei bin Abdullah	1,579,900	3.16
4.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Mohammed Amin bin Mahmud	1,514,000	3.03
5.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ab Ghaus bin Ismail	1,034,600	2.07
6.	Bijak Tulus Sdn. Bhd.	816,000	1.63
7.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Leong Wye Keong	810,700	1.62
8.	Selvaraja A/L Krishnan Thevar	789,000	1.58
9.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mohd Shafei bin Abdullah (CEB)	570,000	1.14
10.	Mokhsen bin Ibrahim	525,828	1.05
11.	Law Kim San	490,000	0.98
12.	Public Invest Nominees (Asing) Sdn Bhd - Exempt An For Phillip Securities Pte Ltd (Clients)	452,000	0.90
13.	Mohd Noor Bin Bidin	451,000	0.90
14.	Lim Yaw Jenn	450,000	0.90
15.	Ang Lai Huah	390,000	0.78
16.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mohd Yunus bin Mohd Tasi	365,900	0.73
17.	Mohammed Amin Bin Mahmud	360,600	0.72
18.	Lim Yaw Shing	342,000	0.68
19.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Yaw Shing	337,900	0.68
20.	Lim Yaw Shing	330,000	0.66
21.	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wan Mohammad Khair-Il Anuar	330,000	0.66
22.	Loo Soon Chuan	321,000	0.64
23.	Mohamad Yunus bin Ariffin	319,300	0.64
24.	Soon Khiat Voon	315,000	0.63
25.	Murrugesu A/L A. Sivaperumal	300,000	0.60
26.	Lim Chin Swee @ Lim Chai	290,000	0.58
27.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Low Kok Chew	270,000	0.54
28.	Lim Yaw Jenn	250,000	0.50
29.	Adrian Sothy Arul	250,000	0.50
30.	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ridzuan bin Ismail	224,000	0.45
<b>TOTAL</b>		<b>35,761,028</b>	<b>71.52</b>



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting (“31st AGM”) of the Company will be held at Concorde Hotel Shah Alam, Level 1, Orchid Meeting Room, No.3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 27 May 2016 at 9.30 am for the following purposes:-

## AGENDA

### AS ORDINARY BUSINESS

- |    |   |                                   |
|----|---|-----------------------------------|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.         | <b>Please refer to<br/>Note A</b> |
| 2. | To approve the payment of Directors’ fees for the year ended 31 December 2015.  | <b>Ordinary<br/>Resolution 1</b>  |
| 3. | To re-elect the director, Encik Ahmad bin Md Daud retiring pursuant to Article 102 of the Company’s Articles of Association, and being eligible, offered himself for re-election. | <b>Ordinary<br/>Resolution 2</b>  |
| 4. | To re-appoint Messrs Afrizan Tarmili Khairul Azhar as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.                                  | <b>Ordinary<br/>Resolution 3</b>  |

### AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Resolution:

#### ORDINARY RESOLUTION

1. **AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

“That pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company thereat and that such authority shall continue in force until the conclusion of the next AGM of the Company and that the Directors be and are hereby further authorised to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued”.

**Ordinary  
Resolution 4**

2. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.

#### By Order of the Board

**LIM SECK WAH (MAICSA NO. 0799845)**

**M. CHANDRANSEGARAN A/L S. MURUGASU (MAICSA NO.0781031)**

**Company Secretaries**

Dated: 27 April 2016  
Selangor

# NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

## Notes:-

- A. This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 do not require a formal approval of the shareholders and hence, is not put forward for voting.
1. For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 23 May 2016. Only a depositor whose name appears on the Record of Depositors as at 23 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.
  2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(a) & (b) of the Companies Act, 1965 shall not apply.
  3. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
  4. A member who is an exempt authorized nominee is entitled to appoint multiple proxies for each omnibus account it holds.
  5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorized.
  6. The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
  7. **Explanatory Notes To Special Businesses**

### **Resolution Pursuant to Section 132D of the Companies Act, 1965**

The proposed Ordinary Resolution no. 4 is a renewal of the mandate given to the Company by the shareholders at the previous Annual General Meeting held on 12 June 2015, if duly passed, will give the Directors of the Company the flexibility to issue and allot new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of next Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/ diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purposes. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/ or acquisitions.

No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 12 June 2015.

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# PJBUMI BERHAD

(Company No. 141537-M)

(Incorporated in Malaysia)

# PROXY FORM

(Before completing this form please refer to the notes below)

<b>No. of ordinary shares held</b>	
------------------------------------	--

I/We \_\_\_\_\_ I.C No./Co.No./CDS No.: \_\_\_\_\_  
(Full name in block letters)

of \_\_\_\_\_  
(Full address)

being a member/members of **PJBUMI BERHAD** hereby appoint the following person(s):-

<b>Name of proxy, NRIC No. &amp; Address</b>	<b>No. of shares to be represented by proxy</b>
1. _____	_____
2. _____	_____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at Thirty-First Annual General Meeting ("31st AGM") of the Company to be held at Concorde Hotel Shah Alam, Level 1, Orchid Meeting Room, No.3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 27 May 2016 at 9.30 a.m. My/our proxy/proxies is/are to vote as indicated below:-

<b>RESOLUTIONS RELATING TO :-</b>	<b>FIRST PROXY</b>		<b>SECOND PROXY</b>	
	<b>For</b>	<b>Against</b>	<b>For</b>	<b>Against</b>
Ordinary Resolution 1 – To approve the payment of Directors' fees for the year ended 31 December 2015				
Ordinary Resolution 2 – To re-elect re-elect Ahmad bin Md Daud				
Ordinary Resolution 3 – To re-appoint Messrs Afrizan Tarmili Khairul Azhar as Auditors of the Company				
Ordinary Resolution 4 – Proposed renewal of authority to issue shares pursuant to Section 132D of the Companies Act, 1965				

(Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion). The first named proxy shall be entitled to vote on a show of hands on my/our behalf.

Dated this ..... day of ..... 2016

.....  
Signature/Common Seal

## Notes

- For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 23 May 2016. Only a depositor whose name appears on the Record of Depositors as at 23 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(a) & (b) of the Companies Act, 1965 shall not apply.
- Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- A member who is an exempt authorized nominee is entitled to appoint multiple proxies for each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorized.
- The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

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AFFIX  
STAMP

The Company Secretary

**PJBUMI BERHAD** (141537-M)  
Level 15-2, Bangunan Faber Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur.

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# **PJBUMI BERHAD**

(141537-M)

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40150 Shah Alam, Selangor D.E.  
Tel: (603) 7847 5740  
Fax: (603) 7847 4597  
[www.pjbumi.com.my](http://www.pjbumi.com.my)