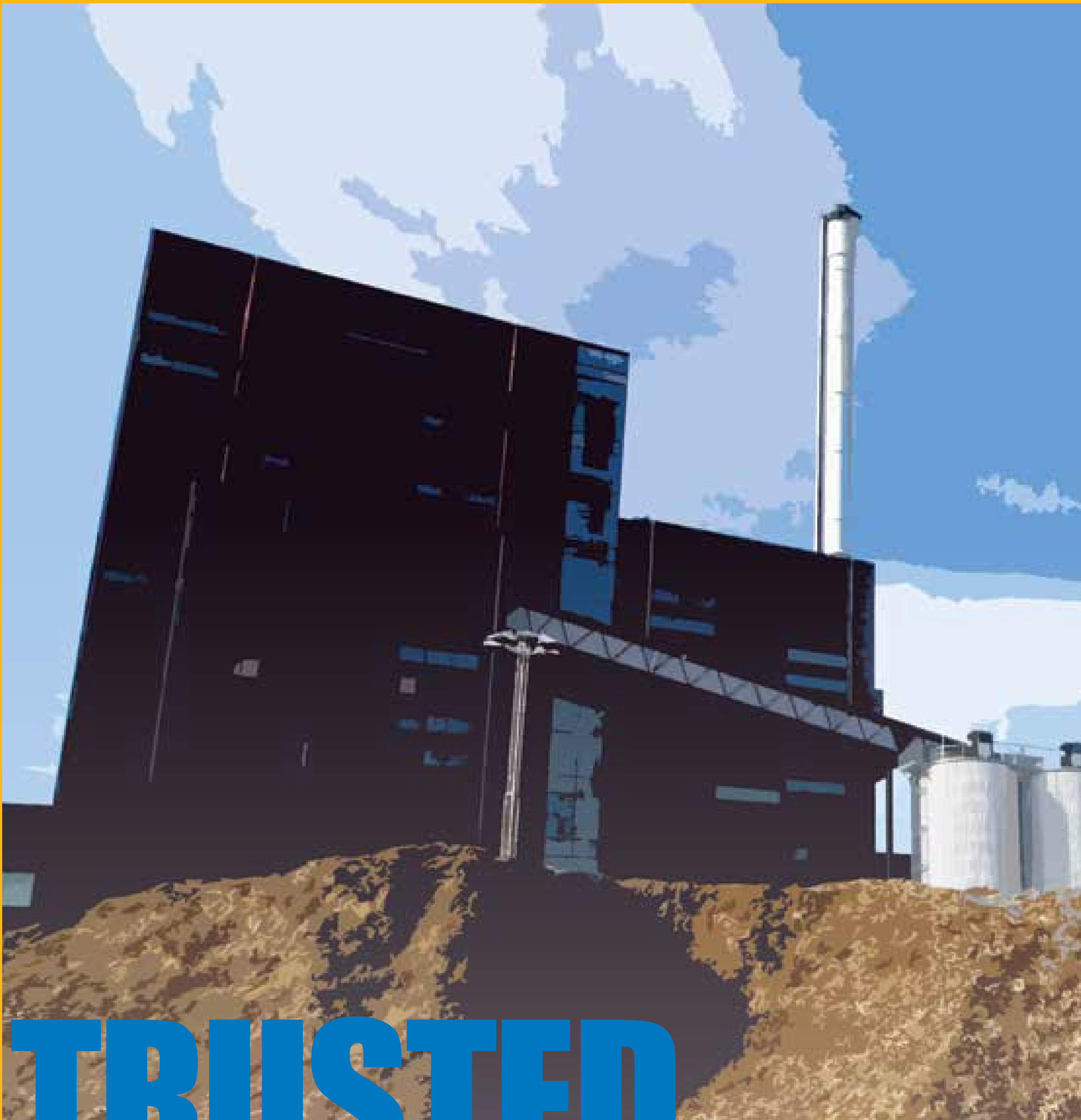
WAH SEONG CORPORATION BERHAD
(495846-A)

COMMITTED FOR GOOD

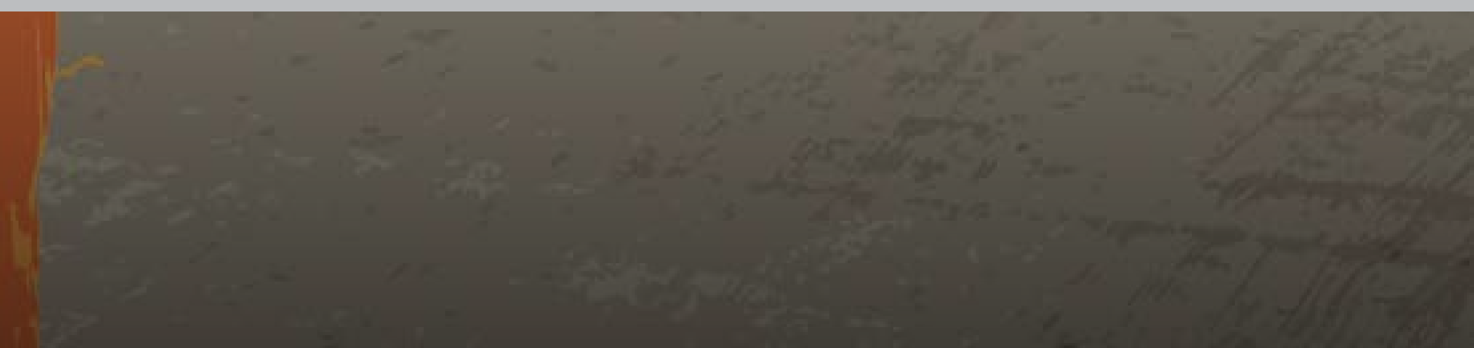
ANNUAL REPORT 2014

EXPERIENCED



TRUSTED

RELIABLE



CONT

VISION

A global Oil & Gas and Industrial Services group that develops its businesses into world class standards.

MISSION

Be the preferred partner of our customers by providing quality services and reliable solutions, whilst delivering sustainable growth and values to our employees, shareholders, partners and stakeholders.

CORE VALUES

- We are passionate about what we do.
- We are a caring and responsible organisation.
- We work together to create an open, friendly and safe workplace.
- We hold ourselves and each other to the highest standards of professionalism, accountability, integrity and transparency.
- Performance, merit and equal opportunity are the cornerstone of our rewards philosophy.
- We deliver our commitments to customers.
- We are intolerant to waste.

ONLY SUSTAINABLE PROFIT AND GROWTH WILL PERPETUATE OUR BUSINESS AND ENABLE ALL OF THE ABOVE.

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CORPORATE CALENDAR 2014

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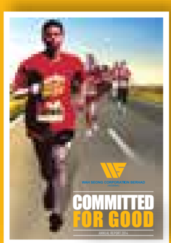
CR CALENDAR



Cover Rationale

Our purpose is to create long-term shareholders' value through the provision of a globally integrated, energy group. We see limitless potential as we aim to grow through innovation and productivity, but understand our responsibilities to a sustainable environment according to the highest principles of ethics and values. At Wah Seong Corporation Berhad, we are 'Committed for Good'.

CORPORATE PROFILE

A RISING GLOBAL ENERGY SERVICE PROVIDER...

Founded in 1994, Wah Seong Corporation Berhad ("WSC" or "the Company") has grown from strength to strength, transforming itself from a medium-sized Malaysian enterprise into an international oil and gas and industrial services conglomerate. Propelled by the dynamic pace of the energy sector and rising demand, the Company continues to build upon its success to effectively meet the needs of both the oil and gas as well as non-oil and gas sectors as a globally integrated infrastructure group.

Listed on the Main Market of Bursa Malaysia Securities Berhad, WSC has established its footprint in more than 14 countries worldwide – a feat made possible as a result of its vast technical experience and proven track records. As a rising global player, WSC is committed to achieving success in a holistic manner whereby its economic ambitions are balanced out with its societal and environmental obligations.

CORPORATE INFORMATION

DIRECTORS

Dato' Seri Robert Tan Chung Meng
Non-Independent Non-Executive Chairman

Chan Cheu Leong
Managing Director/Group Chief Executive Officer

Giancarlo Maccagno
Deputy Managing Director

Halim Bin Haji Din
Independent Non-Executive Director

Professor Tan Sri Lin See Yan
Senior Independent Non-Executive Director

Pauline Tan Suat Ming
Non-Independent Non-Executive Director

ALTERNATE DIRECTOR

Daniel Yong Chen-I
Alternate Director to Pauline Tan Suat Ming/
Non-Independent Non-Executive Director

GROUP COMPANY SECRETARY

Woo Ying Pun
(MAICSA 7001280)

AUDITORS

PricewaterhouseCoopers (AF 1146)
Chartered Accountants
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia

SOLICITORS

Rahmat Lim & Partners
Shearn Delamore & Co
Jayadeep Hari & Jamil

PRINCIPAL BANKERS

OCBC Bank Group
HSBC Bank Group
RHB Bank Berhad
Citibank Berhad

PRINCIPAL ADVISERS

RHB Investment Bank Berhad
CIMB Investment Bank Berhad
AmInvestment Bank Berhad

SHARE REGISTRAR

Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang
Malaysia
Tel : 604-228 2321
Fax : 604-227 2391
Email : agriteumshareg@gmail.com

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 19.01, Level 19, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 603-2685 6800
Fax : 603-2685 6999
Email : wsc.enquiry@wahseong.com
Website : www.wahseong.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

DATE OF LISTING

9 July 2002

CATEGORY

Industrial Products

STOCK CODE NO.

5142

STOCK NAME

WASEONG

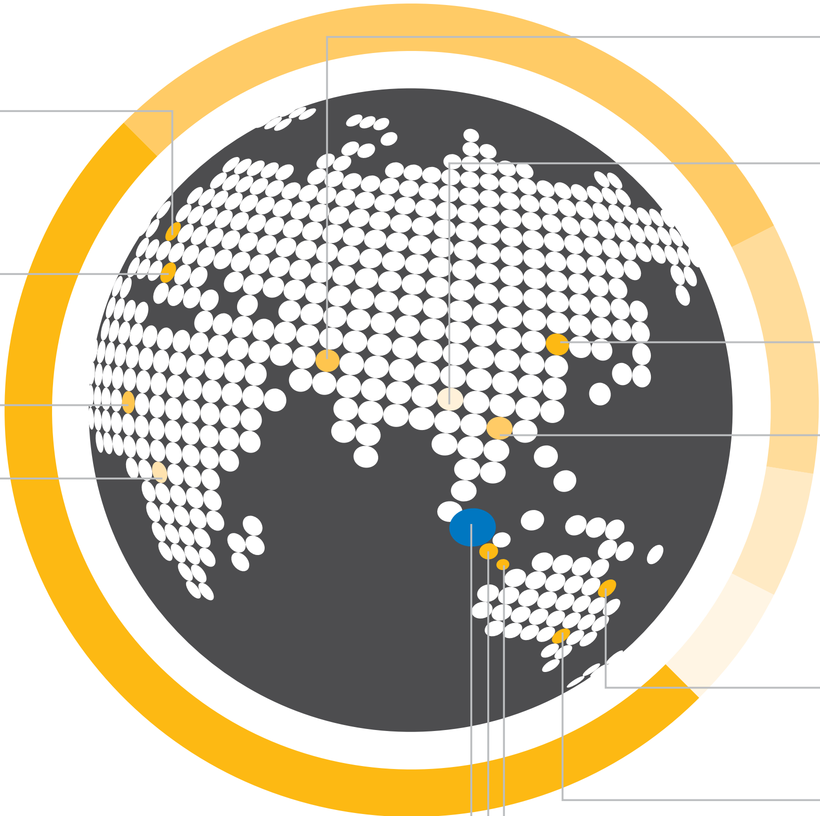
Committee	Audit Committee	Nomination Committee	Remuneration Committee
Chairman	Halim Bin Haji Din	Dato' Seri Robert Tan Chung Meng	Halim Bin Haji Din
Member	Professor Tan Sri Lin See Yan	Halim Bin Haji Din	Chan Cheu Leong
Member	Pauline Tan Suat Ming	Professor Tan Sri Lin See Yan	Professor Tan Sri Lin See Yan

WORLDWIDE OPERATION

OIL & GAS | RENEWABLE ENERGY | INDUSTRIAL TRADING & SERVICES | PLANTATION | OTHERS

PIPELINE SERVICES
BAYOU WASCO INSULATION, LLC

E&P SERVICES
ASHBURN INTERNATIONAL, INC



ENGINEERING
WASCO ENGINEERING INTERNATIONAL LTD

PIPELINE SERVICES
WASCO COATINGS NORWAY AS

MYANMAR INVESTMENT
BOUSTEAD WAH SEONG SDN BHD

PIPELINE SERVICES
TURN KEY PIPELINE SERVICES B.V.

PIPELINE SERVICES
WASCO KANSSEN LIMITED

E & P SERVICES
WASCO CHINA INTERNATIONAL LIMITED

E & P SERVICES
LTT OIL & GAS NIGERIA LIMITED

RENEWABLE ENERGY
P.M.T.I ENERGY (CAMBODIA) CO. LTD.

PLANTATION
ATAMA PLANTATION SARL

E & P SERVICES
WASCO (AUSTRALIA) PTY LTD

ENGINEERING
MACKENZIE HYDROCARBONS (AUSTRALIA) PTY LTD

ENGINEERING
PT. WASCO ENGINEERING INDONESIA

RENEWABLE ENERGY
PT. PMT INDUSTRI

PIPELINE SERVICES
- WASCO COATINGS MALAYSIA SDN BHD
- WASCO COATINGS SERVICES SDN BHD
- WASCO CORROSION SERVICES SDN BHD
- WASCO LINDUNG SDN BHD
- PETRO-PIPE (SABAH) SDN BHD

E & P SERVICES
- PETRA ENERGY BERHAD
- WASCO OILFIELD SERVICES SDN BHD

RENEWABLE ENERGY
- JUTASAMA SDN BHD
- MACKENZIE INDUSTRIES SDN BHD
- PMT INDUSTRIES SDN BHD
- PMT-DONG YUAN INDUSTRIES SDN BHD
- PMT SHINKO TURBINE SDN BHD

INDUSTRIAL TRADING & SERVICES
- SYN TAI HUNG TRADING SDN BHD
- PPI INDUSTRIES SDN BHD
- SPIROLITE (M) SDN BHD

ENGINEERING
- WASCO ENGINEERING SERVICES SINGAPORE PTE LTD
- WASCO ENGINEERING TECHNOLOGIES PTE LTD

FINANCIAL HIGHLIGHTS

5-YEARS GROUP FINANCIAL HIGHLIGHTS

OPERATING RESULTS		2010	2011	2012	2013	2014
Revenue	RM'000	1,523,356	1,889,111	1,951,552	1,779,383	2,438,620
EBITDA	RM'000	167,347	242,419	148,072	136,974	287,703
EBIT	RM'000	104,011	184,083	93,392	75,594	211,952
Profit Before Tax	RM'000	86,156	173,268	82,481	64,319	198,480
Net Profit	RM'000	64,952	131,239	60,628	32,293	147,109
Net Profit Attributable to Owners of the Company	RM'000	55,981	110,374	52,538	32,324	125,565
KEY BALANCE SHEET DATA						
Total Assets	RM'000	2,009,711	2,290,406	2,170,141	2,499,176	2,901,315
Paid-up Capital	RM'000	361,971	376,787	387,444	387,444	387,444
Capital and Reserves Attributable to Owners of the Company	RM'000	925,186	998,817	985,079	983,509	1,074,977
VALUATION						
Per share of RM0.50 each						
Basic Earnings	sen	7.35	14.48	6.86	4.20	16.26
Gross Dividend						
- Cash Dividend	sen	4.50	6.00	5.50	4.00	5.00
- Share Dividend	sen	-	-	1.50	1.10	0.67
Net Assets	RM	1.28	1.33	1.27	1.27	1.39
PROFITABILITY RATIOS						
Return on Total Assets	%	5	8	4	3	7
Return on Capital Employed	%	7	12	7	6	15
GEARING RATIO						
Net Debt to Capital and Reserves Attributable to Owners of the Company	Times	0.28	0.23	0.38	0.46	0.69

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS, IT GIVES US GREAT PLEASURE TO PRESENT THE ANNUAL REVIEW OF WAH SEONG CORPORATION BERHAD ("WSC" OR "THE COMPANY") AND ITS SUBSIDIARIES' ("THE GROUP") PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014.

OVERALL LANDSCAPE

Financial year 2014 was a favourable year with WSC harnessing opportunities it came across. Anchored by a strong order book at the beginning of the year, the Group managed to deliver commendable results for the financial year 2014. Our commitment to our core values and the measures taken over the last few years in three important areas; strengthening our balance sheet, enhancing efficiency across our businesses and managing our costs prudently, had also contributed positively to this performance.

As anticipated, we achieved strong growth in our core business segments. We are committed to improving these segments further by proactively managing any temporary setbacks arising from market volatility. The Group's strong values, track record and order book enabled it to weather the slowdown that crept in during the final quarter of the year, where the world saw oil prices falling to its lowest level in recent history. The on-going volatility of oil prices has resulted in Oil & Gas ("O&G") companies announcing budget cuts in their operating and capital expenditure and this will have some impact on the Group for financial year 2015.

During the year, the Group successfully executed the North Malay Basin Project for Petronas Carigali Sdn Bhd ("PCSB") and substantial portion of the Polarled Project for Statoil, Norway.

FINANCIAL HIGHLIGHTS

For the financial year under review, the Group posted a revenue of RM2.4 billion, an increase of 37% as compared with RM1.8 billion in financial year 2013, essentially driven by the higher number of projects secured and executed in the financial year 2014. Propelled by this strong revenue growth, the Group's net profit attributable to the owners of the Company rose 289% to RM125.6 million from RM32.3 million, driven by a robust performance from the O&G and Renewable Energy ("RE") Divisions. The Group had an order book of RM1.2 billion, comprising RM696.1 million for the O&G Division, RM280.5 million for RE Division and RM209.2 million for Industrial Trading & Services ("ITS") Division.

OIL AND GAS DIVISION

The Group achieved numerous milestones during the financial year 2014 in the O&G Divison. The Group's O&G Division under the brand name Wasco, recorded revenue of RM1.4 billion and segment profit before taxation of RM187.5 million, exceeding previous year's performance by 92% and 361% respectively. This was a record-breaking year for Wasco in terms of net profit attributable to owners of the Company where for the first time it exceeded RM100 million with a contribution of RM103.5 million. Wasco continues to leverage on its strengths, riding on the momentum set in the previous years.

CHAIRMAN AND GROUP CEO'S JOINT STATEMENT

The growth in the O&G Division was mainly due to the successful execution of major projects. The projects include the Petronas EVA-NMB gas delivery system contract worth RM232.1 million, which was completed in the third quarter of financial year 2014 and the on-going execution of the Polarled Development Project, for Statoil, worth USD$198.0 million.

On the strategic investment front, Wasco acquired a 49% stake in Alam-PE Holdings (L) Inc. ("Alam-PE") for RM106.0 million. Alam-PE is a company engaged in ship-owning and chartering of offshore support vessels and ship management services. With the successful acquisition, Wasco had positioned itself to gain a longer-term, sustainable and stable income stream. This together with the existing investment in Petra Energy Berhad is expected to generate recurring earnings stream in the longer term to supplement the current project based earnings stream.

A licensing collaboration was signed between PETRONAS and Wasco in December 2014, whereby, Wasco was given the exclusive rights to market, sell, supply and apply REMCOAT™, a PETRONAS proprietary product for pipeline coating.

Whilst the O&G Division achieved its best performance, 2014 ended on a sombre note with oil prices falling substantially in the final quarter of the year. The falling oil prices have temporarily clouded the O&G landscape. However, the current oil crisis is not unlike the ones we have seen in the past, where we had managed to weather the economic uncertainties brought about by weakening oil prices. We have already begun to proactively manage the imminent slowdown – our continued focus towards looking into strategic investments and partnerships is just one of the many steps we have undertaken to avoid cyclical fluctuations. Against this backdrop, Wasco remains steadfast in facing the challenges ahead.

RENEWABLE ENERGY DIVISION

The RE Division delivered a commendable performance for the year under review, recording revenue of RM342.5 million and segment profit before taxation of RM62.1 million. The growth in RE's business was primarily due to increase in sales of steam turbines, boilers and kernel crushing plants for palm oil and agro-based industry.

In 2014, the Division made various key notable achievements. The Division's waterfront expansion project in Telok Panglima Garang, Selangor is already in its 2nd phase of development. It is targeted to be completed by end of 2015 and will result in engineering fabrication facilities with a combined production capacity exceeding 20,000 metric tons. With the development of the new waterfront fabrication facility, it will also be capable of fabricating bigger engineering structures and modules. The Division achieved a milestone following the successful sales of the 1,000th unit of Shinko steam turbine by PMT Industries Sdn Bhd ("PMT"). Building on its long experience in the palm oil industry, PMT undertook a turnkey contract to build and commission a 15MT palm oil mill in Honduras. The Division also cemented its footing in the biomass power generation sphere in Cambodia with its first rice husk biomass power plant under the "Build-Own and Operate" model. Plans to supply power to Cambodia's national grid are on target and expected to be commissioned in 2016.

Looking at year 2015, the O&G and Petrochemical sectors are expected to be the main contributors to the Division's revenue, capitalising on Petronas RAPID project at Pengerang. The strategic partnership with Shinko Ind. Ltd. and successful launch of the steam turbine manufacturing line at our Shah Alam facility will enable the RE Division to

be more competitive by enhancing capabilities to play a key role in manufacturing and distributing Shinko steam turbines in the Asean region and worldwide. In order to fulfil and sustain WSC's RE Division's strong track record in servicing industries across the world, we made inroads into new overseas market, such as the Latin America, East Asia and Africa.

INDUSTRIAL TRADING & SERVICES DIVISION

For the year under review, ITS Division recorded a revenue of RM595.2 million and lower segment profit before taxation of RM6.6 million. Financial year 2014 was a challenging year for the ITS Division particularly for PPI Industries Sdn Bhd ("PPI") where many targeted infrastructure and water pipes projects were delayed or shelved, despite an improvement from the previous year due to better sales margin. Meanwhile, Syn Tai Hung Trading Sdn Bhd ("STH") saw a decline in revenue primarily due to a planned reduction in steel bar sales. This was part of its strategies to shift the company's product mix towards higher margin strategic products.

The operating environment for the ITS Division is expected to be challenging in year 2015. The Management is cautious on the various current issues that could affect its trading business such as the impact of the GST implemented in April 2015 and the slowdown in property development nationwide. Measures introduced by Bank Negara to tighten lending criteria have caused banks to be more cautious in extending loans to property purchasers and the property development and construction industry.

Meanwhile, the local requirement for players in Peninsular Malaysia to purchase higher priced raw materials from domestic steel producers further exacerbate the challenges faced by PPI and other domestic players when foreign steel imports enter this highly competitive and over-crowded market space. PPI has responded to the increased competition by implementing aggressive cost reduction strategies to reduce fixed overheads and improve production efficiencies. Current business realities necessitates a strategic shift, from its existing 'manufacture and sell' business model to new business and product models for additional revenue stream.

PLANTATION DIVISION

The Group's plantation activities are carried out by Atama Plantation SARL ("APS"), a company registered in the Republic of Congo. In view of the start-up stage of APS, the company registered a pre-tax loss of USD5.0 million in 2014. APS's initial target to cultivate an additional 1,500 hectares (from 500 hectares in 2013) to reach 2,000 hectares of oil palm plantation by the 1st quarter of 2015 encountered some operational set-backs. As at 31 December 2014, APS only managed to plant 570 hectares of oil palm.

OTHERS

The Company's expansion into Myanmar is part of its strategy to enhance its business portfolio regionally. With Myanmar's recent efforts to open its doors to the world, the Group seized this opportunity to invest in a riverport business activity in the country. Together with Boustead Holdings Berhad, our new investment comprises a port and jetty outside Yangon held under Myanmar Integrated Port Limited ("MIPL") and the edible oil business held under Asia-Pacific Edible Oil Limited ("APEO"). For the year under review, MIPL and APEO businesses registered revenue of USD4.3 million and a profit before tax of USD1.0 million. Key business directions for the Myanmar business in the near term will focus mainly on expanding port services, including constructing more storage tanks and fabrication yard to serve the customers within the 6,000 acres Japanese Thilawa Free Trade Zone which is currently being developed.

DIVIDEND

In line with our core focus to deliver shareholders' value from our continuous growth opportunities across our Divisions, the Board declared and paid/credited the following interim dividends in respect of the financial year ended 31 December 2014:

(a) On 25 August 2014, the Directors declared a first interim single tier cash dividend of 2.5 sen per share, amounting to net dividend payment of RM19,313,559, paid on 2 October 2014.

(b) On 26 February 2015, the Directors declared a second interim dividend comprising:

(i) Single tier cash dividend of 2.5 sen per share amounting to RM19,264,271;

and

(ii) Special single tier share dividend of 4,276,929 treasury shares distributed to the shareholders of WSC on the basis of one (1) WSC treasury share for every one hundred and eighty (180) existing WSC ordinary shares of RM0.50 each held at the entitlement date on 16 March 2015. Based on the share price of WSC shares of RM1.21 each as at 31 December 2014, the value of the share dividend per WSC share is equivalent to a gross cash dividend of 0.67 sen per share.

The second interim dividend was paid/credited into the entitled shareholders' securities accounts on 3 April 2015.

OUTLOOK

Low oil prices and volatile markets are likely to present challenges to the Group. However, we believe the fundamentals of the O&G industry remain intact in the long term. Meanwhile, the RE Division is expected to remain resilient. The Group will continue to innovate, increase efficiency and implement prudent cost management activities to weather the current operating environment. Optimising on the strategies and disciplines which have been put in place over the years, the Group is well positioned to achieve our long term growth objectives by leveraging on our proven capabilities in the regional and global markets. Moving forward, we are resolute in overcoming the challenges ahead and maintain focus on creating and growing value for our shareholders.

ACKNOWLEDGMENTS

Over these two decades, WSC has expanded through a strategic blend of marketplace positioning and acquisitions. Today, WSC is a reputable name across a host of sectors. Our two decades of success would not have materialised without the support of our key stakeholders – shareholders, customers and employees. On behalf of our fellow Directors on the Board, it is indeed a great privilege for us to acknowledge the support of our key stakeholders who have been the bedrock of our success during this year under review.

The Group's notable successes during this period under review would not have been possible without the selfless contribution from our fellow Directors, management team members and committed employees. These dedicated employees who have grown with the Group have embraced changes, optimised the opportunities made available and implemented innovative initiatives to spur the growth of WSC. We thank them for their tireless effort and perseverance in ensuring the Group's continued success and their valued contribution.

Thank you.

Dato' Seri Robert Tan Chung Meng
Non-Independent Non-Executive Chairman

Chan Cheu Leong
Managing Director/Group Chief Executive Officer

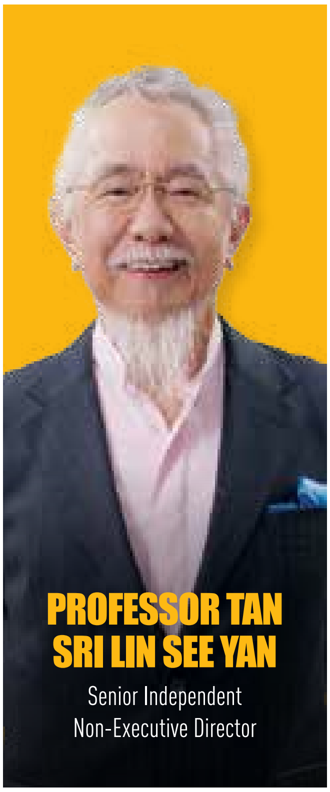
BOARD OF DIRECTORS


DATO' SERI ROBERT TAN CHUNG MENG
Non-Independent Non-Executive Chairman


CHAN CHEU LEONG
Managing Director/ Group Chief Executive Officer


GIANCARLO MACCAGNO
Deputy Managing Director


HALIM BIN HAJI DIN
Independent Non-Executive Director


PROFESSOR TAN SRI LIN SEE YAN
Senior Independent Non-Executive Director


PAULINE TAN SUAT MING
Non-Independent Non-Executive Director


DANIEL YONG CHEN-I
Alternate Director to Pauline Tan Suat Ming/ Non-Independent Non-Executive Director

PROFILE OF THE BOARD OF DIRECTORS

DATO' SERI ROBERT TAN CHUNG MENG

Non-Independent Non-Executive Chairman

DATO' SERI ROBERT TAN, A MALAYSIAN AGED 62, WAS APPOINTED CHAIRMAN OF WAH SEONG CORPORATION BERHAD ("WSC") ON 22 MAY 2002.

Dato' Seri Robert Tan has vast experience in the property and hotel industry. After studying Business Administration in the United Kingdom, he was attached to a Chartered Surveyor's firm for one (1) year. He had also developed a housing project in Central London before returning to Malaysia. He was involved in various development projects carried out by IGB Corporation Berhad and Tan & Tan Developments Berhad, in particular the Mid Valley Project.

Currently, Dato' Seri Robert Tan is the Group Managing Director of IGB Corporation Berhad; the Managing Director of IGB REIT Management Sdn Bhd (the manager of IGB Real Estate Investment Trust); a Director of Tan & Tan Developments Berhad, a property division of IGB Corporation Berhad and a Director of Goldis Berhad. He also sits on the Board of several private limited companies.

PAULINE TAN SUAT MING

Non-Independent Non-Executive Director

MS PAULINE TAN, A MALAYSIAN AGED 69, WAS APPOINTED TO THE BOARD OF WSC ON 22 MAY 2002.

Ms Pauline Tan is a holder of Bachelor of Science (Honours) in Biochemistry from University of Sussex, England and is a Fellow member of The Malaysian Institute of Chartered Secretaries and Administrators. She started her career as a chemist with Malayan Sugar Manufacturing Company Bhd from 1969 to 1972. She then joined Tan Kim Yeow Sendirian Berhad as an Executive Director in 1976 and subsequently joined Wah Seong (Malaya) Trading Co. Sdn Bhd in 1983 and was made an Executive Director in 1994. Currently, she is a Director of IGB Corporation Berhad, a Trustee of Yayasan Wah Seong and also sits on the Board of several other private limited companies.

CHAN CHEU LEONG

Managing Director/Group Chief Executive Officer

MR CHAN, A MALAYSIAN AGED 64, IS THE MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER OF WSC. HE WAS APPOINTED TO THE BOARD OF WSC ON 22 MAY 2002.

Mr Chan attained a Bachelor of Science (Hon) Degree in Engineering Production in 1974 from the University of Birmingham under a Colombo Plan Award and began his career by joining the Singapore Administrative Service. He left the Ministry of Finance, Singapore in 1976 to pursue his Master in Business Administration from the London Business School.

Upon successful completion of the same, he joined ESSO Production Malaysia Incorporated as their Senior Financial Analyst before joining Tractors Malaysia Berhad as their Group Treasurer in 1981. Thereafter, he left to become the Group Executive Director for General Corporation Berhad from 1984 to 1990 before assuming the position of Managing Director of Tan & Tan Developments Berhad from 1990 to 1995. In 1994, he established Wah Seong Industrial Holdings Sdn Bhd and subsequently formed WSC, which was listed on the Main Market of Bursa Malaysia Securities Berhad on 9 July 2002. He has extensive experience in the property, manufacturing and financial fields. Mr Chan is a Trustee of Yayasan Wah Seong, a council member of the Federation of Malaysian Manufacturers and a member of Sustainable Energy Development Authority (SEDA) Malaysia. He also sits on the Board of several other private limited companies.

PROFILE OF THE BOARD OF DIRECTORS

HALIM BIN HAJI DIN

Independent Non-Executive Director

ENCIK HALIM, A MALAYSIAN AGED 68, WAS APPOINTED TO THE BOARD OF WSC ON 22 MAY 2002.

Encik Halim is a Chartered Accountant who spent more than thirty (30) years working for multinational corporations and international consulting firms. He accumulated eighteen (18) years of experience working in the Oil and Gas Industry - six (6) years of which as a Board member of Caltex/Chevron, responsible for financial management before engaging in the Consulting business. Prior to his appointment as a Board member of Caltex Malaysia, Encik Halim served as Regional Financial Advisor for Caltex Petroleum Corporation Dallas, Texas overseeing investment viability of the Corporation's Asian subsidiaries.

Encik Halim also had extensive experience in corporate recovery when he worked for Ernst & Whinney, London, United Kingdom in mid 1980's. He was appointed as Managing Partner of the Consulting Division of Ernst & Young Malaysia in 1995. He later became the Country Advisor of Cap Gemini Ernst & Young Consulting when Cap Gemini of France merged with Ernst & Young Consulting. In 2003, he with two (2) partners took over the consulting business of Cap Gemini Ernst & Young Malaysia through a management buyout and rebranded it as Innovation Associates, currently known as The IA Group, where he is currently the Chairman of the Group.

Encik Halim was also a Council Member of the Malaysian Institute of Certified Public Accountants from 1994 to 2003.

Encik Halim also served as a Board Member of Employees Provident Fund (KWSP) for four (4) years from April 2009 till May 2013.

Encik Halim is a Board member of BNP Paribas Malaysia Berhad, Takaful Ikhlas Sdn Bhd, IGB REIT Management Sdn Bhd and Kwasa Land Sdn Bhd. He is also a Director of several other private limited companies.

GIANCARLO MACCAGNO

Deputy Managing Director

MR MACCAGNO, AN ITALIAN AGED 51, WAS FIRST APPOINTED AS AN EXECUTIVE DIRECTOR OF WSC ON 1 JUNE 2004 AND SUBSEQUENTLY PROMOTED TO BE THE DEPUTY MANAGING DIRECTOR ON 1 JANUARY 2007. MR MACCAGNO IS ALSO THE CHIEF EXECUTIVE OFFICER OF THE WASCO ENERGY GROUP OF COMPANIES. HE IS RESPONSIBLE FOR THE OVERALL BUSINESS AND MANAGEMENT OPERATIONS OF THE WSC GROUP.

Mr Maccagno attained his Bachelor in Business Administration from Tecnico Commerciale Maddalena Adria (RO) Italy in 1982, after which he worked with Socotherm S.R.L, Italy from 1984 to 1987 as a Trainee in Production and Project Management. He was appointed as Project Manager for Socotherm S.R.L in Nigeria from 1987 to 1990 and was briefly seconded to Petro-Pipe Industries (M) Sdn Bhd ("PPI") in 1990 to assist in the setting up of PPI's coating plant in Kuantan, Malaysia. After serving as Country Manager for Socotherm S.R.L in Taiwan from 1991 to 1992, he returned to Malaysia in 1993 to be the General Manager of Wasco Coatings Malaysia Sdn Bhd (formerly known as PPSC Industries Sdn Bhd) in Kuantan, Malaysia. He has vast experience in the global pipe coating business and the oil and gas business in general.

Mr Maccagno is a Director of Petra Energy Berhad. He also sits on the Board of several other private limited companies.

PROFESSOR TAN SRI LIN SEE YAN

Senior Independent Non-Executive Director

PROFESSOR TAN SRI LIN, A MALAYSIAN AGED 75, WAS APPOINTED TO THE BOARD OF WSC ON 20 JULY 2004.

Professor Tan Sri Lin, a British Chartered Scientist, is a Harvard educated economist. Qualified as Malaysia's first Chartered Statistician, he graduated from the University of Malaya in Singapore and Harvard University (where he received three degrees, including a PhD in Economics). He is also Professor of Economics (Adjunct), Universiti Utara Malaysia, Research Professor at Sunway University and an Eisenhower Fellow.

Prior to 1998, he was Chairman/President and Chief Executive Officer of Pacific Bank and for fourteen (14) years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for thirty four (34) years. Professor Tan Sri Lin continues to serve the public interest, including Member, Prime Minister's Economic Council Working Group, as well as a member of key National Committees on Higher Education; Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia; Governor, Asian Institute of Management, Manila; Director, Monash University Malaysia and Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University in Cambridge (USA) as well as President, Harvard Club of Malaysia.

Professor Tan Sri Lin advises and sits on the Boards of a number of publicly listed and private businesses in Malaysia, Singapore and Indonesia including Chairman, Cabot (Malaysia) Sdn Bhd. He is also a Director of Ancom Berhad, Genting Berhad, JobStreet Corporation Berhad, IGB REIT Management Sdn Bhd and Sunway Berhad.

DANIEL YONG CHEN-I

Alternate Director to Pauline Tan Suat Ming/Non-Independent Non-Executive Director

MR DANIEL YONG CHEN-I, A MALAYSIAN AGED 43, WAS APPOINTED THE ALTERNATE DIRECTOR TO PAULINE TAN SUAT MING ON THE BOARD OF WSC ON 13 MAY 2013.

Mr Daniel Yong is a law graduate from the University of Bristol, England. He joined Mid Valley City Sdn Bhd ('MVC') in 1999 as a member of the pre-opening retail development team. He was appointed an Executive Director of MVC in 2003 and has been responsible for overseeing the management and operation of Mid Valley Megamall, since. He was also involved in the design and pre-opening of The Gardens Mall from 2004 to 2007. His prior work experience includes the development of bespoke systems with BYG Systems Ltd in England and Operational Management with Wah Seong Engineering Sdn Bhd, the distributor and manufacturer for Toshiba Elevator and Escalator in Malaysia.

Currently, he is a Director of IGB REIT Management Sdn Bhd, Goldis Berhad and the Alternate Director to Pauline Tan Suat Ming on the Board of IGB Corporation Berhad.

Notes:-

Family relationship with Director and/or major shareholders

1. *Dato' Seri Robert Tan Chung Meng and Ms Pauline Tan Suat Ming are siblings.*
2. *Mr Daniel Yong Chen-I is the son of Ms Pauline Tan and nephew of Dato' Seri Robert Tan.*
3. *Dato' Seri Robert Tan and Ms Pauline Tan are deemed major shareholders of WSC and their interest in the securities of WSC are set out in the Analysis of Shareholdings of this Annual Report.*

Saved as disclosed herein, none of the Directors have any family relationship with any Directors and/or major shareholders of WSC.

Conflict of interest
None of the Directors have any conflict of interest with WSC.

Convicted of offences
None of the Directors have been convicted for any offence within the past ten (10) years other than possible traffic offences.

HEALTH, SAFETY AND ENVIRONMENT

WAH SEONG

CORPORATION BERHAD ("WSC" OR "THE COMPANY") HAS A LONG-STANDING HEALTH, SAFETY AND ENVIRONMENT ("HSE") COMMITMENT TO THE HIGHEST STANDARDS FOR THE HEALTH AND SAFETY OF OUR EMPLOYEES, CUSTOMERS AND CONTRACTORS AS WELL AS TO THE PROTECTION OF THE ENVIRONMENT IN THE COMMUNITIES IN WHICH WE LIVE AND WORK.

The Company is committed to constantly improving workplace and environmental safety, consistent with international best practice. HSE is deeply embedded within our business culture as we prioritise continuous improvement in health and safety by reducing accident, occupational injury and work-related illness rates.

In 2014, Wasco Coatings Malaysia Sdn Bhd ("WCM") achieved 2.6 million safe man-hours with one Lost Time Injury ("LTI"). Its HSE programmes were thoroughly planned and carried out throughout the period under review in compliance with stringent industry standards and regulatory requirements. Several audit sessions were performed by clients and also internal parties for continuous improvement of WCM's overall HSE practices.

To strengthen HSE efforts, Wasco developed and launched Wasco Communication, Alignment, Responsibility, Effort ("Wasco C.A.R.E.") – a new safety campaign that focuses on creating an incident and injury-free worksite through a shared sense of responsibility and caring between the workforce and management. The campaign was supported by "Think Safe Act Safe", which illustrates 10 Non Compromising Safety Rules, as well as a series of advertising campaigns. The campaign was rolled out at our plants in Mo'i Rana, Norway and Kuantan, Malaysia, where industry leaders and Wasco Energy's clients such as Petronas Carigali Sdn Bhd ("PCSB"), Sarawak Shell Berhad and Statoil ASA were also present. The campaign saw 130 participants in Mo'i Rana and close to 700 participants in Kuantan taking part in games, safety exhibition booths and other safety related activities which included the "Hands and Fingers Campaign" where employees submitted videos showing the importance of their hands and fingers.

HEALTH, SAFETY AND ENVIROMENT

Apart from the Wasco C.A.R.E. campaign, Wasco also played host to several HSE Conferences in efforts to extend their HSE practices to their partners. Wasco co-hosted the 4th Quarter 2013 Performance Review in January 2014 as well as the 3rd Quarter 2014 Contractor's Conference in September 2014 with PCSB. In November 2014, WCM also played host to PCSB for the JDA Project Close Out at Hyatt Regency Kuantan, where 40 participants from PCSB and WCM attended a packed 2-day programme.

For the year under review, Wasco Engineering Services Singapore Pte Ltd. ("WESS") recorded 3 LTIs, with its highest incident free man-hours being 387,680. As one of its LTI occurred in September 2014, its latest incident free man-hours was recorded at 233,402. In response to these incidences, WESS conducted a combined Bowling Event and HSE Day in efforts to foster a greater sense of teamwork that will better translate into a collective responsibility towards safety. Apart from this, WESS continued to run its regular HSE activities such as having the HSE Steering Committee & Management Review Meetings, OHSAS 18001 & ISO 14001 Audit by DNV as well as a Health Screening Exercise & Audiometric Examination.

Over at PT. Wasco Engineering Indonesia, the team managed to achieve a flawless record with 9.9 million safe man-hours. This came as a great feat seeing that the Batam team saw a high number of projects being carried out in 2014. Its achievement was due to its strict adherence to all HSE practices along with initiatives carried out by its dedicated personnel.

Meanwhile, at the RE Division, Jutasama Sdn Bhd achieved an accumulated 9.1 million incident free man-hours and PMT Industries Sdn Bhd achieved 546,156 safe man-hours. With a slogan 'Safety is Everyone's Concern', programmes for emergency preparedness including fire and medical drills were held regularly to ensure the Division's response capabilities as governed by the regulations from the Department of Occupational Safety and Health.

Training and awareness programmes were also conducted to ensure workers at the plants improve their understanding and implementation of HSE practices. Local health and safety committees are also in place at the main offices in Shah Alam, Sandakan and Bintulu. Each of the committee members have the responsibility to ensure that the corporate HSE plan is adhered to and provides the opportunity for various units to discuss as well as resolve any health and safety concerns.

Having successfully implemented our HSE programmes, we hope to further strengthen our efforts in this area by continuing to embed good HSE practices within the Company's business culture and our people. It is our hope that our commitment to safety will minimize the impact on the environment, control risks to our employees and maintain safe work practices. Our dedication will match our commitment so that each and every employee takes personal ownership of their own safety and the safety of others.

CORPORATE CALENDAR

2014

25 FEB
4QFY2013 Results Announcement

12 MAR
Acquisition of 100% equity interest in PMT Energy (Labuan) Ltd. by Jutasama Sdn Bhd, a wholly-owned subsidiary of WSC

18 APR
Completion of the Joint Venture between PMT Industries Sdn Bhd, a wholly-owned subsidiary of WSC and Shinko Ind. Ltd.

8 JUNE
Wasco 3rd Golf Tournament

31 JULY
Acquisition of 60% equity interest in Turn Key Pipeline Services BV by Wasco Coatings Singapore Pte. Ltd., an indirect wholly-owned subsidiary of WSC

10 JUNE
Tenaga Expo & Forum 2014

12 AUG
Wasco Hari Raya Open House

5-8 MAY
Offshore Technology Conference, Houston

20 JUNE
WSC 14th Annual General Meeting

25 AUG
- Offshore Northern Seas Exhibition
- 2QFY2014 Results Announcement

27 MAY
1QFY2014 Results Announcement

24 JUNE
Wasco Energy Ltd., a wholly-owned subsidiary of WSC, entered into a Conditional Share Sale and Purchase Agreement with Armada Investment Holding Ltd., an 86% subsidiary of CIMB Private Equity Sdn Bhd for the acquisition of 49% equity interest in Alam-PE Holdings (L) Inc. for a cash consideration of RM106 million ("Proposed Acquisition"). On the even date, Wasco Energy Ltd. also entered into a Joint Venture Agreement with Alam Maritim (L) Inc., a wholly-owned subsidiary of Alam Maritim Resources Berhad

26 AUG
PMT Industries won HR Asia Awards

29 AUG
WSC's Extraordinary General Meeting for the Proposed Acquisition by Wasco Energy Ltd. of 49% equity interest held by Armada Investment Holding Ltd. in Alam-PE Holdings (L) Inc.

3 SEPT

Disposal of 60% equity interest in PT. PMT Phoenix Industries by PMT Industries Sdn Bhd, an indirect wholly-owned subsidiary of WSC

SEPT 5

P.M.T.I Energy (Cambodia) Co. Ltd., an indirect subsidiary of WSC, entered into a Power Purchase Agreement with Electricité Du Cambodge

OCT 23

Homedec Exhibition

3 NOV

POMREQ Exhibition, Kuching, Sarawak

4 DEC

Wasco 2014 Group Conference

DEC 5

P.M.T.I Energy (Cambodia) Co. Ltd., an indirect subsidiary of WSC entered into a Power Purchase Agreement with Baitang (Kampuchea) Plc.

10 SEPT

- Power Gen Asia & Renewable Energy Asia Exhibition
- MoU between Mackenzie Industries & E-Rationale

23 SEPT

2nd Malaysian Oil & Gas Services & Exhibition Conference (MOGSEC 2014)

8 OCT

Completion of the Proposed Acquisition by Wasco Energy Ltd. of 49% equity interest held by Armada Investment Holding Ltd. in Alam-PE Holdings (L) Inc.

18 OCT

Australian Pipeline Industry Association 2014 (APIA)

22 OCT

Palmex Exhibition

12 NOV

STH Sri Bulatan Sdn Bhd and Stellar Marketing Sdn Bhd, indirect subsidiaries of WSC entered into a Joint Venture Agreement with Ing Veasna

27 NOV

Incorporation of Wasco Management Services S.R.L. by an indirect wholly-owned subsidiary of WSC, Wasco Coatings UK Ltd.

NOV 28

3QFY2014 Results Announcement

1 DEC

Ground Breaking ceremony for Biomass Power Plant project in Battambang, Cambodia

11 DEC

10th Deepwater Asia Pacific Conference 2014

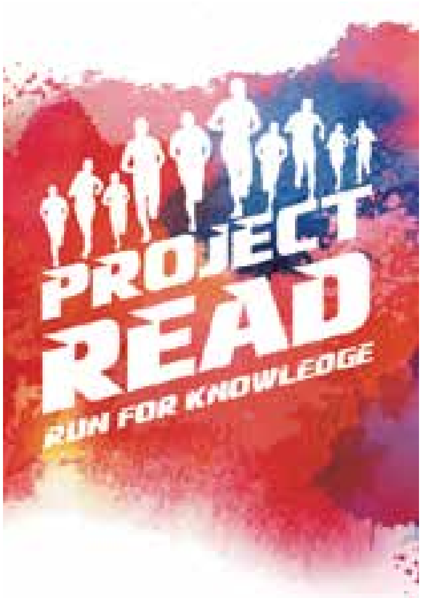
12 DEC

- 4th Annual ISD Conference
- WSC Annual Dinner

22 DEC

Wasco and PETRONAS Technology Ventures Sdn Bhd (PTVSB) entered into a commercialisation agreement for REMCOAT™

CR CALENDAR



Corporate Responsibility

WSC DEEPLY EMBEDS CORPORATE RESPONSIBILITY ("CR") AND COMMITMENT TO ETHICAL BEHAVIOUR IN ALL THAT WE DO.

WE STRIVE TO CONTRIBUTE POSITIVELY TO THE COMMUNITY AND ENCOURAGE OUR EMPLOYEES TO BE PART OF OUR CR INITIATIVES.

We believe in our hearts and minds that our ability to grow as a company depends on the way we treat people, how we enrich our communities and how well we serve our stakeholders. Helping the underprivileged in education has been a significant role of Yayasan Wah Seong as we focus on providing scholarships to academically strong but less fortunate students. Since the commencement of Yayasan Wah Seong Scholarship Programme in 2008, we have awarded 69 scholarships to deserving students.

In addition to the CR activities done by Yayasan Wah Seong and the Divisions, in year 2014, WSC held its first charity run with the theme 'Project Read: Run For Knowlege'. The charity run was held on 23 November 2014 at Taman Rimba Kiara, Taman Tun Dr Ismail, with the aim to embrace, share and spread the joy of reading. The run which was designed to provide communities in need with books and motivate them to read as well as equip themselves with knowledge, attracted more than 600 people. Each participant was asked to donate at least one book, apart from paying the registration fee. It came as no surprise that the 'Library of Hope' that was set up at the venue had more than 1000 books from the runners.

Hundreds of runners literally painted the township red in their tees, sending out the message that education and books are not to be taken for granted. It was all in the name of helping out those who aren't given enough exposure to reading. Books that were donated to 'Library of Hope' were channelled to underprivileged children, schools, orphanages, orang asli villages and old folks' homes.

On 16 December 2014, the underprivileged and library of Sekolah Kebangsaan Sungai Ular, Kuantan, received their end-of-year gifts: nearly 100 books thanks to the run. On 18 December 2014, the underprivileged and orphanages at Rumah Safiyyah, Shah Alam, received yet another 100 books for their learning centre. Meanwhile, Rumah Hope, Petaling Jaya received some books for their library during a Christmas gathering organised by Wasco. Books were also donated to schools affected by the flood in Pahang, the home of 'Little Sisters of the Poor' and 'Books for Benefit'.

While the run was targeted to bring these books to those in need, participants did not merely stride to the finish line. The good cause became fuel for them to give their best from start until finish, solidifying the success of WSC's first ever charity run. Project Read showcased that awareness is possible with the synergy of both the public and WSC. The huge success is attributed to our amazing employees, family members, friends, vendors, partners, sponsors and the public.

We endeavor to build sustainable and vibrant communities where we live and work by participating and supporting various CR and community programmes. We hope to continue our efforts to deliver a wider societal value by giving back to the society.

5 JUNE

World Environmental Day

15 JUNE

National Stroke Association of Malaysia (NASAM) Funfair

21 JUNE

Date at the Movies with Rumah Safiyyah (Wasco)

CR CALENDAR

23 JULY

Hari Raya Aidilfitri Food Donation Programme to Pusat Jagaan Baitul Hidayah (RE Division)

16 DEC

Back to School Community Programme / Beserah Tengkujuh Ride (Wasco)

14 AUG

Blood Donation Drive (STH)

15 AUG

Movie Night with House of Love (RE Division)

18 DEC

Project Read Book Donation to Rumah Safiyyah

1-31 OCT

Pink October Campaign (Wasco)

14 OCT

Blood Donation Drive (RE Division)

23 NOV

Project Read: Run for Knowledge

31 DEC

WSC Flood Relief Efforts

AUDIT COMMITTEE

1. ROLE OF THE AUDIT COMMITTEE

The primary function of the Audit Committee is to assist the Board of Directors ("the Board") in fulfilling the following oversight objectives on the Group's activities:

- assess the Group's processes relating to its risks and control environment;
- oversee financial reporting; and
- evaluate the internal and external audit processes.

2. KEY FUNCTIONS AND RESPONSIBILITIES

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

a. Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board.

b. Review with the external auditors, the audit scope and plan, including any subsequent changes to the audit scope and plan.

c. Review the quarterly results and the annual financial statements, prior to the approval by the Board focusing particularly on:
   - changes in or implementation of major accounting policy changes;
   - significant or unusual events; and
   - compliance with accounting standards and other legal requirements.

d. Review the Internal Audit Charter and the adequacy of the internal audit scope and plan, as well as the functions, competency and resources of the Group Internal Audit Department and whether it has the necessary authority to carry out its work.

e. Review the internal and external audit reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified.

f. Review major audit findings and the management's response during the year with management, internal and external auditors, including the status of previous audit recommendations.

g. Review the assistance given by the Group's officers to both the internal and external auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.

h. Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money.

i. Approve all decisions regarding the appointment or removal of the Head, Group Internal Audit.

j. Review the adequacy and integrity of internal control systems, including risk management, management information system and the internal auditors' and/or external auditors' evaluation of the said systems.

k. Direct and where appropriate supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts.

l. Review procedures in place to ensure that the Group is in compliance with the Companies Act, 1965, Bursa Securities Listing Requirements and other legislative and reporting requirements.

m. Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on management integrity.

n. Prepare reports, if the circumstances arise or at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities.

o. Review the allocation of options pursuant to WSC Group's Employees Share Option Scheme (if any).

p. Any other activities, as authorised by the Board.

3. MEMBERS AND MEETINGS

The Audit Committee meets regularly at least four (4) times annually, with due notice of issues to be discussed and its conclusions duly recorded and minuted by the Company Secretary in attendance towards discharging of its duties and responsibilities. Additional meetings may be held at the request of the Board, the Committee, the Management, the External or Group Internal Auditors.

Nonetheless, the Chairman and the Audit Committee members have free and direct access to consult, communicate and enquire with any Senior Management of the Company as well as the External Auditors at any time.

The Chief Financial Officer of Oil and Gas Division, Financial Controller of Industrial Services Division, Head, Group Tax, Strategic Finance and Special Projects and the Head, Group Internal Audit attend such Audit Committee Meetings and the representative of the External Auditors are encouraged to attend whenever possible. Other Directors may be invited to attend such Audit Committee Meetings when necessary. The Audit Committee will meet the External Auditors at least twice (2) a year without the presence of any executive Board member and Management.

Members and details of attendance of Directors at the Audit Committee Meetings of the Company for the financial year ended 31 December 2014 are as follows:

Name of Directors	Directorship	Date of Appointment	No. of Meetings Attended
Halim Bin Haji Din (Chairman)	Independent Non-Executive Director	22 May 2002	5/5
Tan Sri Ab Rahman Bin Omar (Member)	Independent Non-Executive Director	1 October 2003 (Cessation of office on 20 June 2014)	2/3
Professor Tan Sri Lin See Yan (Member)	Senior Independent Non-Executive Director	20 July 2004	5/5
Pauline Tan Suat Ming (Member)	Non Independent Non-Executive Director	25 August 2014	1/1

AUDIT COMMITTEE

4. SUMMARY OF ACTIVITIES

During the financial year under review, the Audit Committee conducted its activities in line with the terms of reference, as follows:

- Reviewed quarterly reports of the Group and the Company's annual report before submission to the Board for consideration and approval.
- Reviewed the annual audit plan and the scope of work for the year prepared by the Internal and External Auditors.
- Reviewed the fee for External Auditors.
- Discussed with the External Auditors their report on the financial statements and Management letters relating to their audit.
- Had two (2) meetings with the External Auditors without any Executive Directors and Management present except the Secretary.
- Reviewed the recurrent related party transactions of a revenue or trading nature and provision of financial assistance of the Group for inclusion in the Circular to the Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and Provision of Financial Assistance pursuant to Bursa Securities Listing Requirements for the Board's approval.
- Reviewed all related party transactions and recurrent related party transactions to ensure that they are within the mandate obtained;
- Reviewed key and significant risks deliberated at the Risk Management Committee Meeting;
- Reviewed major findings in the reports prepared by the Group Internal Audit together with the recommendations and Management's response to the findings.
- Obtained confirmation from the External Auditors confirming their independence throughout their terms of engagement for the financial year under review.
- Assessed the annual performance of the External Auditors in respect of their performance for the financial year under review.

5. STATEMENT BY AUDIT COMMITTEE ON WSC GROUP SHARE ISSUANCE SCHEME

Appendix 9C Part A Item No. 26 of Bursa Securities Listing Requirements requires a statement by the Audit Committee in relation to the allocation of options pursuant to Share Issuance Scheme as required under Paragraph 8.17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

There was no new Share Issuance Scheme in place during the financial year under review.

6. INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by the Group Internal Audit Department in reviewing the adequacy of operational controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group and to add value and improve the Group's operations by providing independent and objective assurance.

The Group Internal Audit Department is independent from the activities or operations of other operating units of the WSC Group. Its principal responsibility is to conduct periodic reviews on the Group's key operations and to ensure adequacy in operational controls, consistency in application of policies and procedures and compliance with statutory requirements.

A summary of the Internal Audit activities during the financial year under review is as follows:

a. prepared its annual audit plan for consideration by the Audit Committee;

b. performed operational audits on business units of the Group to ascertain the adequacy and integrity of their system of internal controls and made recommendations for improvement where weaknesses were found;

c. conducted follow-up review to determine the adequacy, effectiveness and timeliness of actions taken by the Management on audit recommendations and provided updates on their status to the Audit Committee; and

d. performed special reviews requested by Management and/or the Audit Committee.

After each audit, the findings and recommendations for improvement were communicated to the respective Management for their response and corrective actions, if necessary. On quarterly intervals, the internal audit reports with the Management's responses were submitted to the Audit Committee for their review and consideration.

The total costs incurred by Group Internal Audit for 2014 was RM1,097,446 (2013: RM943,414).

REMUNERATION COMMITTEE

1. MEMBERS AND MEETINGS

Members and details of attendance of Directors at the Remuneration Committee Meetings of the Company for the financial year ended 31 December 2014 are as follows:

Name of Directors	Directorship	Date of Appointment	No. of Meetings Attended
Halim Bin Haji Din (Chairman)	Independent Non-Executive Director	22 May 2002	2/2
Tan Sri Ab Rahman Bin Omar (Member)	Independent Non-Executive Director	1 October 2003 (Cessation of office on 20 June 2014)	0/1
Chan Cheu Leong (Member)	Managing Director/Group Chief Executive Officer	22 May 2002	2/2
Professor Tan Sri Lin See Yan (Member)	Senior Independent Non-Executive Director	25 August 2014	1/1

2. ROLE OF THE REMUNERATION COMMITTEE ("RC")

The RC shall set the policy framework and recommend to the Board, the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary with the objective of ensuring:

a. that the Company's Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance; and

b. that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully.

The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be a matter for the Board as a whole.

The individuals concerned should abstain from discussion of their own remuneration.

3. TERMS OF REFERENCE

i. Composition
The RC shall be headed by a Non-Executive Chairman and its members shall comprise wholly or mainly Non-Executive Directors.

ii. Quorum of Meetings
A minimum of two (2) RC Members present in person shall constitute the quorum.

iii. RC Members
The RC Members are as disclosed above.

Any other person(s) may be invited by the RC and/or the RC Chairman from time to time.

iv. Majority Decision
All decisions of the RC shall be decided on the votes of the simple majority of those Members present. However, no Executive Director shall participate in the discussion of his own remuneration.

Any decision or recommendation made at the RC shall be subject to the review and ultimate approval of the Company's Board of Directors.

v. Casting Vote

In the event there be an equality of votes, then the Chairman of the meeting shall have a casting vote.

vi. Frequency of Meetings

The Committee shall meet at least annually or at such other frequency as the Chairman may determine.

vii. Notice of Meetings

Minimum seven (7) days or such shorter notice as the RC may deem fit depending on the nature and prevailing circumstances at hand.

viii. Secretary

The Company's Company Secretary(s) shall be the Secretary(s) for the RC. In the event any of the Company Secretary(s) is unable to attend, an assistant or deputy Secretary(s) may be appointed for that specific meeting.

ix. Minutes of Meetings

The Secretary (which expression shall include the assistant or deputy Secretary appointed under item (viii)) shall table the minutes of each RC Meeting and shall circulate the same for each Member's record. The Chairman's confirmation of the Minutes shall be taken as a correct record of the proceedings thereat.

The Chairman shall report on each meeting to the Board.

x. Functions of the RC

Without prejudice to the generality of the foregoing, the RC shall:

a. Review, recommend and advise on all forms of Directors' remuneration e.g.
   - Basic Salary
   - Profit-sharing schemes (if any)
   - Share options
   - Any other benefits

b. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual Directors;

c. To structure the component parts of the Executive Directors' remuneration so as to link rewards to corporate and individual performance; whereas, in the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned;

d. Conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to performance over time;

   In this regard, the review of Non-Executive Directors' fees may take place at a different time of the year from the review of Executive Directors' salaries;

e. To monitor and assess the suitability of such proposed performance related formula (e.g. whether the formula is based on individual performance, company profit performance, earnings per share, etc.) and to see that awards under the Company's share option schemes are consistent with the Company's overall performance and provide an additional incentive to management;

f. To provide an objective and independent assessment of the benefits granted to Executive Directors;

g. To ensure that there are adequate pension arrangements for the Executive Directors;

h. To consider what other details of Executive Directors' remuneration to be reported in addition to the existing legal requirements, and how these details should be presented in the Annual Report;

REMUNERATION COMMITTEE

i. Introduce any regulation which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities;

j. To furnish a report to the Board of any findings of the Committee;

k. Engage or appoint such other competent and professional advisers/consultants as may be deemed fit to assist the RC in the smooth discharge of its duties herein;

l. To establish a remuneration framework for key officers of the Group in order to attract and retain key personnel of requisite quality that increases productivity and profitability in the long run;

m. To review and determine the appropriate remuneration package for key officers of the Group as follows:

   - Head Office – Group Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Group Company Secretary;

n. To review the salary increment or adjustment in the event of promotion or re-designation of key officers of the Group, where necessary;

o. To review the annual increment and bonus payment for key officers of the Group basing on the performance of the Group and performance of the individuals, where necessary;

p. To establish schemes, options and remuneration and compensation plans for the key officers of the Group, where appropriate; and

q. Generally, to decide and implement such other matters as may be delegated by the Company's Board of Directors from time to time.

xi. Variation

The above Terms of Reference may be determined and/or varied by the Company's Board of Directors at anytime and from time to time.

NOMINATION COMMITTEE

1. MEMBERS AND MEETINGS

Members and details of attendance of Directors at the Nomination Committee Meetings of the Company for the financial year ended 31 December 2014 are as follows:

Name of Directors	Directorship	Date of Appointment	No. of Meetings Attended
Dato' Seri Robert Tan Chung Meng (Chairman)	Non-Independent Non-Executive Chairman	22 May 2002	2/2
Tan Sri Ab Rahman Bin Omar (Member)	Independent Non-Executive Director	1 October 2003 (Cessation of office on 20 June 2014)	0/1
Halim Bin Haji Din (Member)	Independent Non-Executive Director	22 May 2002	2/2
Professor Tan Sri Lin See Yan (Member)	Senior Independent Non-Executive Director	25 August 2014	1/1

2. ROLE OF THE NOMINATION COMMITTEE ("NC")

The NC is responsible for assessing and making recommendations on any new appointments to the Board and its various Committees.

The NC shall set the policy framework and:-

a. Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board after considering the candidates'-

- skills, knowledge, expertise and experience;
- professionalism;
- integrity; and
- in the case of candidates for the position of Independent Non-Executive Directors, to evaluate the candidates' ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors

b. Consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicability, by any other senior executive or any director or shareholder; and

c. Recommend to the Board, directors to fill the seats on Board Committees.

The actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the NC's recommendations.

The individuals concerned should abstain from discussion of their own nomination.

3. TERMS OF REFERENCE

i. Composition
The NC shall be headed by a Non-Executive Chairman and its members shall comprise exclusively of Non-Executive Directors, a majority of whom are independent.

ii. Quorum of Meetings
A minimum of two (2) NC Members present in person shall constitute the quorum.

iii. NC Members
The NC Members are as disclosed above.

Any other person(s) may be invited by the NC and/or the NC Chairman from time to time.

iv. Majority Decision

All decisions of the NC shall be decided on the votes of the simple majority of those Members present. Any decision or recommendation made at the NC shall be subject to the review and ultimate approval of the Company's Board of Directors.

v. Casting Vote

In the event there be an equality of votes, then the Chairman of the meeting shall have a casting vote.

vi. Frequency of Meetings

The Committee shall meet at least annually or at such other frequency as the Chairman may determine.

vii. Notice of Meetings

Minimum seven (7) days or such shorter notice as the NC may deem fit depending on the nature and prevailing circumstances at hand.

viii. Secretary

The Company's Company Secretary(s) shall be the Secretary(s) for the NC. In the event any of the Company Secretary(s) is unable to attend, an assistant or deputy Secretary(s) may be appointed for that specific meeting.

ix. Minutes of Meetings

The Secretary (which expression shall include the assistant or deputy Secretary appointed under item (viii)) shall table the minutes of each NC Meeting and shall circulate the same for each Member's record. The Chairman's confirmation of the Minutes shall be taken as a correct record of the proceedings thereat.

The Chairman shall report on each meeting to the Board.

x. Functions of the NC

Without prejudice to the generality of the foregoing, the NC shall:

a. Determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies;

b. Review the size of Non-Executive participation, Board balance and determine if additional Board members are required and also to ensure that at least one-third (1/3) of the Board is independent;

c. Recommend to the Board on the appropriate number of Directors to compose the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement;

d. Recommend to the Board, candidates for directorships to be filled by the shareholders or the Board;

e. Consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder;

f. Recommend to the Board, Directors to fill the seats on Board Committees;

g. Undertake an annual review of the required mix of skills and experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board and to disclose this forthwith in every Annual Report;

h. Assist the Board to introduce a criteria and to formulate and implement a procedure to be carried out by the NC annually for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contributions of each individual Director;

i. Introduce any regulation which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities;

j. To furnish a report to the Board of any findings of the Committee;

k. To recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;

l. To recommend Directors who are retiring by rotation to be put forward for re-election;

m. To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities;

n. To review the appointment and termination of key officers of the Group as follows:

- Head Office – Group Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Group Company Secretary;

o. To review succession plans for key officers of the Group;

p. To review the appointment and resignation of Directors on the Board of subsidiaries, where necessary;

q. To review the composition, quality, capacity, competencies and effectiveness of the Board of the subsidiaries, where necessary; and

r. Generally, to decide and implement such other matters as may be delegated by the Company's Board of Directors from time to time.

xi. Variation
The above Terms of Reference may be determined and/or varied by the Company's Board of Directors at any time and from time to time.

4. BOARD'S EFFECTIVENESS ASSESSMENT

The NC conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Directors in respect of the financial year ended 31 December 2014 using a set of customised self-assessment questionnaires to be completed by the Directors. The results of the self-assessment by Directors and the Board's effectiveness as a whole as compiled by the Company Secretary were tabled to the Board for review and deliberation.

The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively.

Assessment is also conducted on the Board Committees' effectiveness based on a set of questionnaires to be completed in respect of the financial year ended 31 December, 2014 and the NC is pleased with the outcome of the said assessment.

In conjuction with the above assessment, the NC considered and recommended to the Board of Directors the following appointments of Directors at the forthcoming Fifteenth Annual General Meeting of the Company :-

(a) Professor Tan Sri Lin See Yan pursuant to Section 129 (6) of the Companies Act, 1965.
(b) (i) Professor Tan Sri Lin See Yan
    (ii) En. Halim Bin Haji Din

All whom have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years to continue to act as Independent Non-Executive Directors of the Company in accordance with the Malaysian Code of Corporate Governance 2012 ("MCCG 2012").

5. INDEPENDENCE ASSESSMENT OF THE INDEPENDENT DIRECTORS

In line with Recommendation 3.1 of the MCCG 2012, the NC has conducted an independence assessment of the Independent Directors and the NC is satisfied with the results whereby all the Independent Directors fulfilled the criteria for an independent director as prescribed under the Main Market Listing Requirements and Practice Notes of the Bursa Malaysia Securities Berhad.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Wah Seong Corporation Berhad ("WSC") recognises the importance of upholding good corporate governance in the discharge of its duties and responsibilities to protect its shareholders' interest and to reflect the status of the Group in the eyes of the public investors. Hence, the Board is pleased to report that the Company and its Group have complied with the relevant principles, recommendations and best practices of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") issued by the Securities Commission as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

The Board is pleased to present the report hereunder on the manner in which the principles and best practices of the MCCG 2012 have been applied across the Group.

1. BOARD OF DIRECTORS

1.1 Duties and Responsibilities of the Board

The Board is responsible towards the strategic planning, overseeing the resources and operational conduct, identifying and implementing appropriate systems to manage principal risks, reviewing the adequacy and integrity of its internal control and management information systems, ensuring a management succession plan as well as having a dedicated investor relation and shareholders' communication policy in place.

The Board together with the Managing Director/Group Chief Executive Officer and the respective Management team(s), where applicable, develop the Group's corporate objectives, policies and positions descriptions and setting out the limits of empowerment of its respective Management/Committees' authority, duties and responsibilities.

The Board exercises due care and diligence in discharging its duties and responsibilities and in ensuring that high ethical standards are applied in upholding good corporate governance and through the compliance with the relevant rules and regulations, directives and guidelines and the adoption of the best practices of the MCCG 2012 in addition to acting in the best interest of the shareholders, stakeholders and the Group.

The Board has adopted a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities including the key values, mission, principles and ethos of the Company. The Board Charter serves as a source of reference for Board members as well as a primary induction literature for new Board members in respect of their duties and responsibilities and the various legislations and regulations governing their conduct with the application of principles and practices of good corporate governance in their business conduct. The Board Charter would be reviewed and updated periodically as and when the need arises.

The Board Charter clearly spells out the following principal roles and responsibilities of the Board in enhancing Board's effectiveness in the pursuit of corporate objectives:

- reviewing and adopting the strategic plans and direction of the Group;
- overseeing and evaluating the conduct of the Group's businesses;
- identifying principal risks and ensuring that appropriate internal control and mitigation measures are implemented to manage these risks;
- succession planning including the implementation of appropriate systems for recruitment, training, determining compensation benefits and replacement of Senior Management staff;
- developing and implementing an investor relations programme to enable effective communications with the shareholders and stakeholders; and
- reviewing the adequacy and integrity of the internal control systems and management information systems which includes sound system of reporting and in ensuring regulatory compliance with applicable laws, regulations, rules, directive and guidelines.

The Board Charter is available on the Company's website at www.wahseong.com.

Apart from the aforesaid principal roles and responsibilities of the Board, the Board also delegates certain responsibilities to its Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities. While the Board Committees have their own functions and delegated roles, duties and responsibilities, they will report to the Board with their decisions and/or recommendations. Hence the ultimate responsibility and decision on all matters lies with the Board.

The Board continues to observe high standard of ethical conducts based on the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

The Board of Directors has also established the Principles and Rules of Business Conduct as guidance for the conduct of the Group's business and on issues pertaining to conflict of interest and related parties which may affect any members of the Board.

The Principles and Rules of Business Conduct is available on the Company's website at www.wahseong.com.

1.2 Board Composition and Balance

During the year under review, the Board is led by the Non-Executive Chairman, Dato' Seri Robert Tan Chung Meng and altogether, comprises of six (6) members, which includes two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors (including the Non-Executive Chairman) and two (2) Independent Non-Executive Directors.

The composition of the Board reveals their varied background as outlined on pages 9 to 11 of this Annual Report. The Board members are equipped with the relevant skills, knowledge and expertise required for the proper running of the Company's affairs.

Generally, the Executive Directors along with the Management Team are responsible for making and implementing operational decisions. Non-Executive Directors play a key supporting role, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.

1.3 Board Independence

The number of Independent Directors on the Board complies with Paragraph 15.02 of the MMLR, which states that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher shall comprise of Independent Directors. The Independent Directors also fulfill the criteria of independence as defined in the MMLR. Their presence provides a check and balance in the discharge of the Board function and the Independent Directors' views carry significant weight in all Board deliberations and decision-making. All Independent Directors act independently of Management and do not participate in any business dealings and are not involved in any other relationship with the Group that may impair their independent judgement and decision-making.

Annual assesment on the independence of the Independent Directors is conducted annually pursuant to Recommendation 3.1 of the MCCG 2012.

Recommendation 3.2 of MCCG 2012 states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, the Nomination Committee and Board have duly assessed, determined and resolved that the Independent Non-Executive Directors of the Company namely Encik Halim Bin Haji Din and Professor Tan Sri Lin See Yan, who have served on the Board for more than nine (9) years, remain as Independent Directors based on the following justifications as well as contributions from Encik Halim Bin Haji Din and Professor Tan Sri Lin See Yan, as members of the Board and also members of the respective Board Committees:

(i) they have fulfilled the criteria of independence as per the definition set out under Chapter 1 of the MMLR;

(ii) they have performed their duties diligently and provided independent judgements and balanced assessments hence ensured effective check and balance in the proceedings of the Board and the respective Board Committees; and

(iii) they have devoted sufficient time and attention to the duties and responsibilities as Independent Non-Executive Directors of the Company.

The Board acknowledges and takes cognisance of Recommendation 3.5 of MCCG 2012, which recommends that should the Chairman of the Board is not an Independent Director, the Board must comprise a majority of Independent Directors. The Company's Chairman is not an Independent Director and there are two (2) Independent Directors out of six (6) Board members. The Board believes that its current Board composition provides the appropriate balance in terms of skills, knowledge and experience in creating, protecting and enhancing the interests and values of all shareholders and stakeholders and to oversee the conduct of businesses and to properly run the Group effectively. As the Chairman is also a shareholder who has substantial interest in the Company, he is well placed to act on behalf of shareholders and stakeholders and in their best interest.

The Board through the Nomination Committee will continuously evaluate suitable candidates for Independent Directors to form majority of the Board. However, the process should be exercised with due care and careful assessment has to be made based on merits, skills, knowledge and the appropriate experience to ensure that the candidates would be able to contribute to the effectiveness of the Board.

Hence, the above process is also applicable in the selection and evaluation of suitable candidate for gender diversity on the Board.

1.4 Division of Roles and Responsibilities between the Chairman and the Managing Director/Chief Executive Officer

The Board is led by Dato' Seri Robert Tan Chung Meng as the Non-Independent Non-Executive Chairman and Mr. Chan Cheu Leong as the Managing Director/Group Chief Executive Officer.

There is a clear separation between the Chairman's role and the Managing Director/Group Chief Executive Officer's role to ensure a division of responsibilities and a balance of control, power and authority.

The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective terms of reference, to ensure its own effectiveness, while the Managing Director/Group Chief Executive Officer manages the businesses and operations of the Group and implements and develops the Board's decisions, policies and strategies.

1.5 Senior Independent Non-Executive Director

The Board has identified Professor Tan Sri Lin See Yan as the Senior Independent Non-Executive Director of the Board, to whom concerns relating to the Group may be conveyed by shareholders and other stakeholders.

All concerns relating to the Group can be conveyed to him via his electronic mail address at seeyan.lin@wahseong.com.

1.6 Board Meetings

The Board meetings for each financial year are scheduled before the end of the preceding financial year, to enable the Directors to plan ahead and fit the year's meetings into their own schedules. The Board meets on a scheduled basis of at least four (4) times a year and has a formal schedule of matters specifically reserved for the Board to decide in order to ensure that the direction and control of the Company firmly rests in its hands, for example strategic financial and investment decisions. Additional or ad-hoc Board meetings can be convened as and when necessary.

During the financial year ended 31 December 2014, the Board met six (6) times and the details of the attendance of the Board members are as follows:

Director	Directorship	Total Meetings Attended
Dato' Seri Robert Tan Chung Meng	Non-Independent Non-Executive Chairman	6/6
Chan Cheu Leong	Managing Director/Group Chief Executive Officer	6/6
Giancarlo Maccagno	Deputy Managing Director	6/6
Professor Tan Sri Lin See Yan	Senior Independent Non-Executive Director	6/6
Tan Sri Ab Rahman Bin Omar (Retired at the Annual General Meeting of the Company held on 20 June 2014)	Independent Non-Executive Director	2/3
Pauline Tan Suat Ming	Non-Independent Non-Executive Director	6/6
Daniel Yong Chen-I	Alternate Director to Pauline Tan Suat Ming/ Non-Independent Non-Executive Director	5/6
Halim Bin Haji Din	Independent Non-Executive Director	6/6

To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda with the supply of complete and timely information to enable the Board to discharge their responsibilities effectively and for them to make informed decisions. The Board reviews and deliberates on the Group's financial performance and results, business operations, budgets, reports of the various Board Committees, risks management, business plans, corporate exercises and strategic financials and investments decisions.

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

1.7 Supply of Information

The Board is briefed on a timely manner on all major financial, operational and corporate matters. In order to maintain confidentiality, meeting papers on issues or corporate proposals which are deemed highly confidential and sensitive, would only be distributed to the Directors at the Board meeting itself.

The Board stresses on having timely reports and has full access to quality information which is not just historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Group and other performance factors e.g. customer satisfaction, product and service quality, market share, market reaction, environmental protection, etc.

The Directors have access to all information within the Company whether as a full Board or in their individual capacity, in furtherance of their duties. Through regular Board meetings, the Board receives updates, written reports and supporting/discussion documents on the development and business operations of the Group, as well as on potential corporate exercises, proposals, mergers and acquisitions. Minutes of the respective Board Committees' meetings are presented at Board meetings. The respective Board Committees' Chairman will brief the Board on major issues deliberated by each of the Board Committees.

The Board either collectively or individually is authorised to seek such independent professional advice as may be considered necessary in furtherance of their duties at the expense of the Company.

The Directors also have access to the advice and services of its qualified Group Company Secretary in the course of discharging their duties and responsibilities and in fulfilling their obligation to statutory requirements, the MMLR or other rules and regulations, either as a full Board or in their individual capacity.

1.8 Group Company Secretary

The Group Company Secretary is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and heads the Wah Seong Corporation Berhad's Group Corporate Secretarial Department. She ensures that the Group complies with the Companies Act, 1965, MMLR, Capital Markets & Services Act, 2007 and all relevant acts, rules, regulations, codes and guidelines of the relevant authorities and governmental/regulatory bodies and their relevant updates and amendments from time to time. She assists the Board of Directors in overseeing and advising on the relevant aspects of the regulatory, compliance and corporate governance matters of the Group. She attends all meetings of the Board of Directors and all meetings of the Committees and Sub-Committees of the Board and captures all discussions and deliberations thereat comprehensively and accurately in her minutes. Her prompt and well written minutes and advices given to the members of the Board have so far assisted the Board of Directors in making informed decisions as well as for the Management to promptly act on decisions approved by the Board. The Board of Directors is satisfied with the competent performance and support rendered by the Group Company Secretary in the discharge of their duties and functions as members of the Board.

1.9 Appointments to the Board

The Nomination Committee is responsible for assessing and making recommendations on any new appointments to the Board and its various Board Committees.

In making these recommendations, due consideration is given to the required mix of skills, expertise, knowledge, experience, professionalism and integrity that the proposed Directors shall bring to complement the Board.

The Directors take cognisance of Recommendation 4.1 of the MCCG 2012 that they are required to notify the Chairman of the Company before accepting any new directorships and the expected time to be spent on the new appointment.

1.10 Re-appointment and Re-election of Directors

The Company's Articles of Association provide that all the Directors shall retire at least once (1) in every three (3) years and are eligible for re-election at each Annual General Meeting in compliance with the MMLR.

Pursuant to Section 129 of the Companies Act, 1965, a Director who has attained the age of seventy (70) years is required to submit himself/herself for re-appointment as Director annually at the Annual General Meeting of the Company.

1.11 Board Committees

The Board delegates specific responsibilities to the respective Board Committees of the Board, each of which has clearly defined terms of reference and its own functions, delegated roles, duties and responsibilities. The Board reviews the functions and terms of reference of Board Committees from time to time to ensure that they are relevant and updated in line with the MCCG 2012, the MMLR and other related policies or regulatory requirements.

The Board Committees have the authority to examine specific issues and report to the Board with their proceedings, deliberations, findings and recommendations. The Board also reviews the minutes of the Board Committees' meetings presented at Board meetings.

During Board meetings, the Chairman of the various Committees provide summary reports of the decisions and recommendations made at the respective Board Committees' meetings, and highlight to the Board on any further deliberation and/or approval that is required at the Board level. The Board Committees shall deliberate and thereafter recommend their decisions to the Board for its approval. The relevant decisions and recommendations of the Board Committees are incorporated into the minutes of the Board meetings accordingly.

The Board has established three (3) principal Board Committees namely, Audit Committee, Nomination Committee and Remuneration Committee. The Risk Management Committee is a sub-committee of the Audit Committee.

(a) Audit Committee

The composition of the Audit Committee comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Terms of Reference, key functions and a summary of activities of the Audit Committee are set out separately in the Audit Committee Report as laid out on pages 18 to 21 of this Annual Report.

(i) Risk Management Committee
The Risk Management Committee comprised of the Executive Directors; Heads of Finance, Group Internal Audit, Group Tax, Strategic Finance Special Projects and Heads of Business Units/Divisions meet at least 4 times a year to discuss, assess, manage and mitigate risks associated with the respective Business units and divisions and the Group as a whole. The Summarised Risk Registers compiled and confirmed by the respective Heads of the Business Unit/Division and based on which WSC Group's key risks are identified for monitoring. Potential new investments are tabled to the Committee for comprehensive risks assessment and deliberation on the risks associated with the said proposed investment before recommending to the Audit Committee for review and then to the Board for approval.

(b) Nomination Committee

The Nomination Committee has been established comprising exclusively of three (3) Non-Executive Directors, a majority of whom are Independent Directors. The Terms of Reference, role and functions of the Nomination Committee are set out on pages 25 to 27 of this Annual Report.

(c) Remuneration Committee

The Remuneration Committee has been established comprising mainly of Independent Non-Executive Directors with the role of determining and recommending to the Board the remuneration of Executive Directors in all its forms, drawing from outside advice where necessary. The Executive Directors play no part in decisions on their own remuneration.

Determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman is a matter of the Board as a whole. The individuals concerned will abstain from discussion of their own remuneration.

The information on Remuneration Committee, Terms of Reference and its functions are available on pages 22 to 24 of this Annual Report.

1.12 Finance Committee

The Finance Committee was established by the Executive Directors to undertake periodic review of the overall Group's financial position with emphasis on group financial status and financing requirements, summary update on forward contracts position, group cash flows and receivables. The respective business units/ divisions strategic business activities and ventures are also updated at the Committee's meetings. Besides this, the Committee also deliberates on the implication of the global economic outlook has on the Group's various business divisions and with this hindsight, actively review the overall business activities, capital expenditure requirements and forex strategies. Proposed mergers and acquisitions of the Group are discussed and those identified deals are reviewed and deliberated by the Committee together with the detailed feasibility study which includes the strategic and operational risk assessment report undertaken by the Risk Management Committee.

The members of the Finance Committee comprised the Executive Directors, Chief Executive Officer of the Industrial Services Division, Chief Financial Officer of the Oil & Gas Division, Financial Controller of the Industrial Services Division, Head of Group Treasury and Head of Group Tax, Strategic Finance & Special Projects. The Finance Committee meets on a regular basis.

1.13 Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme as required under the MMLR.

The Directors do and will undergo such similar or continuing training and education programmes from time to time to equip and keep themselves abreast of the latest developments in order to discharge their duties and responsibilities more effectively.

During the financial year under review, the Directors had participated in various programmes, courses and forums which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors.

A brief description of the type of training/courses attended by the Directors for the financial year under review is as set out below.

Details of Directors' Training	Date of Course/Name of Organiser	Type of Training/Courses Attended
Dato' Seri Robert Tan Chung Meng	28 April 2014/ BDO Binder	GST Awareness Training
	25 November 2014/ PricewaterhouseCoopers ("PwC")	2015 Budget Highlights
Pauline Tan Suat Ming	2 July 2014/ Bursa Malaysia Securities Berhad ("Bursa Securities")	Advocacy Sessions on Corporate Disclosure for Directors
	28 August 2014/ Tricor Knowledge House Sdn Bhd ("Tricor")	Roles & Responsibilities of Directors in relation to Financial Statements
Professor Tan Sri Lin See Yan	18 February 2014/ PNB Investment Institute Sdn Bhd ("PNB")	PNB Nominee Directors' Convention 2014 on "Managing Stakeholders' Expectations in the Fast Changing Business Trends Towards Value Creation"
	19 March 2014/ Jeffrey Cheah Institute	Panelist on "Human Capital Needs for the 21st Century: The Role of Higher Education" at the Inaugural Conference of the Jeffrey Cheah Institute on Southeast Asia
	2 April 2014/ Hawaii Asia Pacific Association	Keynote Speaker at a luncheon talk on "Current Economic Situation in Malaysia".
	24 April 2014/ Malaysian Accounting Standards Board	Roundtable discussion on "Financial Reporting"
	23 & 26 May 2014/ Fudan University, Shanghai	Speaker at the 2014 Shanghai Forum on "Economic Globalisation and the Choice of Asia – Asia Transforms: Identifying New Dynamics"
	26 & 27 June 2014/ Asian Institute of Management	Second Asian Business Conference 2014: "2015 Approaching: Priming for ASEAN Integration"
	3 September 2014/ Singapore Institute of Directors ("SID")	SID Conference 2014 on "Towards the New Capitalism"
	11 December 2014/ Universiti Sains Malaysia	Keynote Speaker at the International Conference on "Contemporary Economic Issues 2014"

STATEMENT ON CORPORATE GOVERNANCE

Directors	Date of Course/Name of Organiser	Type of Training/Courses Attended
Halim Bin Haji Din	22 January 2014/ BNP Paribas Malaysia Berhad ("BNP")	Fixed Income Economic Outlook
	27 & 28 February 2014/ Silverglobe/IDC Financial Insights	10th Asian Financial Services Congress 2014
	1 April 2014/ FIDE/ICLIF	Asian Leadership Index – Defining Leadership in the Asian Century
	15 April 2014/ Accountant Negara Malaysia/IAC/SAP	Thought Leadership Seminar
	9 & 10 September 2014/ EKUINAS	The Malaysian Private Equity Forum
	19 September 2014/ BNP	Training on Fundamentals of Shariah and Islamic Banking
	1 & 2 October 2014/ ICLIF/Bank Negara Malaysia	Leadership Energy Summit Asia 2014
	8 October 2014/ PNB	Great Companies Deserve Boards and Great Boards Leading the Way for Highly Innovative Companies
	12 & 18 December 2014/ Kwasa Land Sdn Bhd	Study Tour and Technical Visit to Rivas in Spain
Chan Cheu Leong	23 January 2014/ Asli's 16th Malaysia Strategic Outlook Conference 2014	Themed "Forging Resilient Growth, Entering a New Era"
	25 March 2014/ Bursa Securities	Briefing Session on Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) - An Update
	12 June 2014/ HSBC	Investment Outlook Seminar
	15 August 2014/ OCBC	OCBC Global Treasury Economic & Business Forum 2014
	23 September 2014/ Malaysia Oil & Gas Services Exhibition and Conference	Malaysia Oil & Gas Services Exhibition and Conference 2014
	6 November 2014/ Credit Suisse	A Gastronomic Experience: Health and Wellness by Credit Suisse
	18 November 2014/ ECM Libra	Special Invitation to An Exclusive Talk – Aging Health Issues and Access to High Level Medical Care Globally
	19 & 20 November 2014/ International New York Times	Energy For Tomorrow Conference
Giancarlo Maccagno	19 February 2014/ Credit Suisse	Credit Suisse Market Outlook Seminar
	5 May 2014/ Offshore Technology Conference (OTC)	Offshore Technology Conference
	19 August 2014/ Credit Suisse	Credit Suisse Market Outlook Seminar
	19 September 2014/ PwC	PwC Oil & Gas Briefing
Daniel Yong Chen-I (Alternate Director to Ms Pauline Tan)	28 April 2014/ BDO Binder	GST Awareness Training
	2 July 2014/ Bursa Securities	Advocacy Sessions on Corporate Disclosure for Directors
	28 August 2014/ Tricor	Roles & Responsibilities of Directors in relation to Financial Statements

2. DIRECTORS' REMUNERATION

The remuneration of the Board Members is broadly categorised into those paid to Executive Directors and Non-Executive Directors.

The Executive Directors are remunerated in cash and in kind by way of salary, performance bonus and other benefits and entitlements; taking into consideration their experience, responsibilities, length of service, their individual performance and contribution as well as the overall performance of the Group and the Company. Non-Executive Directors are paid fees based on their experience and level of responsibilities.

The Remuneration Committee is responsible to make any recommendation to the Board on the remuneration package and benefits extended to the Executive Directors; whereas, Non-Executive Directors' remuneration is a matter to be decided by the Board as a whole. The individual concerned must abstain from deliberations and voting on decisions in respect of his individual remuneration.

For purposes of security, instead of presenting the remuneration details of each Director individually, the Board is of the opinion that such information will not add significantly to the understanding and evaluation of the Company's standards of corporate governance and that the same can be disclosed as follows:

The details of the remuneration for the Directors of the Company during the financial year ended 31 December 2014 are as follows:

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salaries and Other Emoluments	4,535	63	4,598
Bonus	1,044	-	1,044
Directors' Fees	60	225	285
	5,639	288	5,927
Benefits-in-kind			
- Leave passage	238	-	238
- Others *	289	11	300
Total	**6,166**	**299**	**6,465**

*Others under benefits-in-kind include motor vehicles, club subscription, etc.

The number of Directors whose total remuneration falls within the following bands:

	No. of Executive Directors	No. of Non-Executive Directors	Total
Less than RM50,001	-	2	2
RM50,001 to RM100,000	-	3	3
RM2,500,000 to RM2,600,000	1	-	1
RM3,600,000 to RM3,700,000	1	-	1
Total	**2**	**5**	**7**

3. SHAREHOLDERS AND INVESTORS

3.1 Effective Communications Policy

Besides the various announcements and disclosures including information on the quarterly and annual results released to Bursa Malaysia Securities Berhad, the Board maintains an effective communications policy that enables the Board (in particular the Executive Board Members) to communicate effectively with its shareholders, stakeholders and the public in general.

As part of the Group's commitment towards having an effective investor relations and shareholders' communication policy, the following have been established:

a) an interactive and dedicated website for the Group which can be accessed by the public at large at www.wahseong.com.

b) the Company's Investor Relations and Communications Department attends to the Group's communication needs and whenever required, the services of an external public relations firm will be engaged to promote the Group's image and to create greater public awareness of the Group's products and services aside from fostering and maintaining closer relations with the press and other members of the media.

c) Internally, the Group Corporate Secretarial Department headed by the Group Company Secretary maintains most of the official correspondences with the various authorities.

d) the Annual General Meeting provides an additional forum for shareholders' interaction and feedback with the Company.

e) Media and Analyst Briefings are held by the Company to explain any major corporate exercises and/or to discuss the financial performance of the Group from time to time.

3.2 Dialogue between the Company and Investors

The Board values feedback and dialogues with its investors. The Company will hold open discussions with investors upon written request. Analyst Briefings are periodically held to introduce and update the investors on the Company's/the Group's undertakings and financial performance from time to time.

In this respect, the Board and the Company shall ensure that any information sought is disseminated in strict adherence to the disclosure requirements under the MMLR.

The Company's website at www.wahseong.com contains vital information concerning the Group. All investors are encouraged at all times to log on and visit the Company's website to be informed of the latest happenings and detailed information of the Group and all the announcements made to Bursa Malaysia Securities Berhad.

3.3 Annual General Meeting

The Annual General Meeting is one of the platforms for the Company's shareholders to meet and exchange views with the Board.

An open Question and Answer Session will be held whereby any shareholder may seek further details and clarification regarding any proposed resolutions as well as matters relating to the Group's businesses and affairs.

The Chairman and the other members of the Board together with Management and the Company's External Auditors will be in attendance to provide explanations to all shareholders' queries.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial position, performance and prospects at the end of the financial year primarily through the audited financial statements, annual report as well as the quarterly announcements of results to shareholders.

The Board is responsible for ensuring that the financial statements prepared are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Board assisted by the Audit Committee, oversees the financial reporting processes and the quality of the financial reporting by the Group. The Audit Committee scrutinises information prior to their disclosure to ensure their timeliness, accuracy and adequacy. The quarterly financial results and audited financial statements were reviewed by the Audit Committee and approved by the Board before being released to Bursa Malaysia Securities Berhad.

The Directors' Responsibility Statement in respect of the audited financial statements of the Company and the Group is set out in page 44 of this Annual Report.

4.2 Internal Control

The Board has overall responsibility for maintaining a sound system of internal control, which encompasses risk management, financial, organisational, operational and compliance controls necessary for the Group to achieve its objectives within an acceptable risk profile.

These controls can only provide reasonable but not absolute assurance against material misstatement, errors of judgment, loss or fraud.

Information on the Group's Internal Control is as set out in the Statement on Risk Management and Internal Control on pages 42 to 43 of this Annual Report.

The establishment of an Internal Audit Department since the Group first commenced operations followed by the formation of the Risk Management Committee in 2009 are testimony of the dedication and commitment that the Board and the Company have in identifying and mitigating potential risks which affect the Group.

4.3 Principles and Rules of Business Conduct and Whistle-Blowing Policy

The Board is committed to achieving and maintaining high ethical standards with regards to behavior at work and hence the Principles and Rules of Business Conduct are established. The Principles and Rules of Business Conduct of the Group is a formal document which sets out the guiding principles and standards in which the employees and Directors shall adhere to in conducting the day to day duties and operations.

In conjunction with the above, the Company has also disseminated its Whistle Blowing Policy and Procedures by which an employee or stakeholder can report or disclose in good faith, through the established channel, genuine concerns about unethical behaviour, malpractice, illegal act or failure to comply with regulatory requirements.

The Principles and Rules of Business Conduct and procedures of the Whistle Blowing Policy, in raising such genuine concerns to the established channels are set out in the Company's website at www.wahseong.com.

4.4 Relationship with Auditors

The Board has established a formal and transparent relationship with the External Auditors appointed by the Company and its subsidiaries within its fold.

The External Auditors are invited to attend the Audit Committee Meeting where the Group's annual financial results are considered, as well as at meetings to review and discuss the Group's audit findings, internal controls and accounting policies, whenever the need arises.

For the financial year under review, the Audit Committee had two (2) meetings with the External Auditors without the presence of Management, which has encouraged a greater exchange of independent, frank views and opinions/dialogue between both parties.

The Audit Committee obtains confirmation from the External Auditors on their independence throughout their terms of engagement for the financial year in compliance with the requirements of the relevant professional and regulatory bodies and/or authorities.

The Board also reviews the External Auditors' annual audit plan and scope of work for each of the financial years and the External Auditors' audit review on the financial statements for each of the financial years together with their audit report.

The Annual Assessment Form for External Auditors is established to assess the annual performance of the External Auditors by the Audit Committee.

Further information on the role of Audit Committee in relation to the External Auditors is stated in the Audit Committee Report on pages 18 to 21 of this Annual Report.

4.5 Internal Audit Function

The Board has established an Internal Audit Function for the Group to review the adequacy of operational controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group and to add value and improve the Group's operations by providing independent and objective assurance.

The Internal Audit Function of the Group is performed in-house. It focused on:

a. reviewing the adequacy and effectiveness of key controls.

b. compliance to established policies and procedures as well as relevant statutory requirements.

c. recommending improvements to existing procedures and policies in order to improve efficiency and effectiveness within the Group and the Company.

d. performing special reviews requested by Management and/or the Audit Committee.

The Head, Group Internal Audit reports directly to the Audit Committee. The Internal Audit function of the Group is independent of the activities they audit and the audit reviews are performed with impartiality, proficiency and due professional care.

The Board and/or the Audit Committee determines the general direction or remits of the Internal Audit function, which encompasses its main role, that is to evaluate risk and monitor the effectiveness of the Group's system of internal controls, consistent with the standards developed by the internal audit profession.

The Internal Audit function is competently and adequately resourced and independently positioned to assist the Board and the Audit Committee in obtaining the assurance they require regarding the effectiveness of the Group's system of internal controls.

Further details of the activities of the Internal Audit Function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

5. CORPORATE RESPONSIBILITY

Throughout 2014, the Group has undertaken various initiatives to create a positive and momentous impact on the lives of others, within the community and the environment in which it operates, as set out in the Corporate Responsibility statement in pages 16 to 17 of this Annual Report.

6. SUSTAINABILITY

The Company has come a long way from a medium sized Malaysian enterprise to where the Group is today. It is through resilience and fortitude that the Group has been growing from strength to strength, meeting challenges along the way and succeeding in branching further aloft. As at today, the Group is a significant player in all the core businesses and is sustaining growth on the global business landscape.

While maintaining sustainable growth, the Company is committed to creating an open, friendly and safe workplace which is part of the Group's core values. Besides, the Company places utmost priority and is fully committed to its Health, Safety and Environment policy and objectives with the aim of ensuring health and safety of our people as well as protection of the environment that the Group operates in by maintaining an accident-free work environment, eliminating occupational injuries, preventing pollutions, preventing wastages, recycling initiatives, optimising the use of natural resources and conserving energy.

The Group is dedicated in supporting the local communities within which it operates and through its corporate responsibility programmes, the Company will continue to implement initiatives to contribute back to the society and local communities.

7. CORPORATE DISCLOSURE POLICIES AND PROCEDURES

The Board has established a Corporate Disclosure Policies and Procedures aiming at effectively handling and disseminating the corporate information timely and accurately to its shareholders, stakeholders, potential investors and the public in general as required by Bursa Malaysia Securities Berhad.

The Corporate Disclosure Policies and Procedures are available on the Company's website at www.wahseong.com.

8. COMPLIANCE STATEMENT

The Company has complied throughout the year ended 31 December 2014 with the relevant principles and recommendations of the MCCG 2012 other than Recommendation 3.5 of MCCG 2012 where the Board must comprise of a majority of Independent Directors should the Chairman of the Board is not an Independent Director which is explained under item 1.3 above.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There are no proceeds raised from corporate proposals during the financial year ended 31 December 2014.

2. OPTIONS, CONVERTIBLE SECURITIES EXERCISED OR SHARE ISSUANCE SCHEME

There is no options, warrants or convertible securities issued during the financial year under review.

3. DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any depository receipt programme for the financial year ended 31 December 2014.

4. VARIATION OF RESULTS

There is no significant variance in WSC's audited financial results for the financial year ended 31 December 2014 from the unaudited results as previously announced. The Company has not released or announced any estimated profit, financial forecast and projection in the financial year ended 31 December 2014.

5. PROFIT GUARANTEE

During the financial year ended 31 December 2014, WSC did not provide any profit guarantee nor is there any profit guarantee given to WSC.

6. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROVISION OF FINANCIAL ASSISTANCE

The details of significant recurrent related party transactions conducted during the financial year ended 31 December 2014 pursuant to the shareholders' mandate are disclosed in the Summary of Significant Recurrent Related Party Transactions as set out on pages 172 to 173 of this Annual Report.

7. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business), entered into by the Company and its subsidiaries, involving Directors' and major shareholders' interests during the financial year ended 31 December 2014.

8. SHARES BUY-BACK

Details of the shares purchased during the financial year ended 31 December 2014 are as follows:

Treasury shares

Month Buy-Back 2014	No. of Shares Bought-back	Par Value per share (RM)	Lowest Price paid for each share (RM)	Highest Price paid for each share (RM)	Average Price per share (RM)	Total Consideration Paid (including Transaction costs) (RM)
January	70,000	0.50	1.65	1.67	1.66	116,468.06
February	30,000	0.50	1.88	1.93	1.90	56,896.63
March	192,600	0.50	1.86	1.90	1.89	363,150.57
April	321,400	0.50	1.83	1.92	1.87	601,388.83
May	130,000	0.50	1.91	1.98	1.95	253,382.64
June	869,200	0.50	1.78	1.98	1.89	1,644,588.46
July	397,900	0.50	1.85	1.89	1.87	745,231.25
August	161,900	0.50	1.84	1.87	1.87	302,331.99
September	305,000	0.50	1.76	1.90	1.84	561,008.55
October	50,000	0.50	1.51	1.70	1.63	81,731.01
November	225,900	0.50	1.57	1.63	1.61	363,064.38
December	692,100	0.50	1.21	1.54	1.38	956,674.55
Total	**3,446,000**					**6,045,916.92**

The funding of the share buy-back transactions is from internally generated funds. The purchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A total of 4,276,929 treasury shares of WSC were distributed as special single tier share dividend on 3 April 2015 on the basis of one (1) WCS share for every one hundred and eighty (180) ordinary shares of RM0.50 each held as at the entitlement date on 16 March 2015.

There was no resale or cancellation of treasury shares during the financial year ended 31 December 2014.

9. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no significant sanctions and/or penalties imposed on WSC Group and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year under review.

10. NON-AUDIT FEES

The amount of non-audit fees paid and payable to the External Auditors i.e. Messrs. PricewaterhouseCoopers Malaysia and its affiliates by WSC Group for the financial year under review is RM337,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board of Directors ("Board") recognises the importance of sound risk management and internal control practices for good corporate governance. The Board affirms its responsibility for ensuring the Group's system is able to adequately and effectively manage significant risks.

The Group has in place an ongoing process for identifying, evaluating and managing significant risks through a framework which includes a reporting structure. This is supported through a Risk Management Committee that meets regularly, receiving risk management updates and taking necessary actions to ensure that risks are managed within the acceptance levels of the company within which they reside.

The Group's system of internal control is designed to manage and control risks appropriately, rather than eliminate the risk of failure to achieve business objective. Due to the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance.

The Board has received reports from the Risk Management Committee that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the existing risk management and internal control system of the Group.

Based on the reports received from the Risk Management Committee and the assurance reports from various sources (including both internal and external auditors) the Board is of the view that the system of risk management and internal control in place for the year under review and up to the date of issuance of this Annual Report is adequate and effective to safeguard shareholders' interest in the Group, interest of customers, regulators, employees and the Group's assets.

In addition, the Board also received assurance from the Group Chief Executive Officer, Chief Financial Officer of the Oil & Gas Division and Financial Controller of the Industrial Services Division that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management model adopted by the Group.

KEY ELEMENTS AND PROCESSES ON RISK MANAGEMENT AND INTERNAL CONTROLS

The key elements and processes that have been established in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:-

RISK MANAGEMENT

The Risk Management Committee ("RMC") being the sub-committee of the Audit Committee was established by the Board towards ensuring a sound system of risk management and control framework is embedded into the culture, processes and structures of the Group. The RMC provides oversight on the effectiveness of the Group's policies and processes in identifying, evaluating and managing the Group's risks.

The RMC is headed by the Deputy Managing Director and made up of the Heads/CEOs of the Group's business divisions.

The principal responsibilities of the RMC includes:-

- Reviewing the Group Risk Management Policy and Framework, as and when necessary, for approval by the Audit Committee and the Board;
- Ensuring that the processes to identify, assess, treat, monitor and report on all material business risks are functioning as designed;
- Reviewing risk reports of the Business Division/Units;
- Providing guidance and direction to the Business Units on the adequacy and effectiveness of internal control system for the identification and mitigation of material business risks; and
- Establishing procedures for the identification of and compliance with relevant laws, licensing and regulatory requirements.

INTERNAL AUDIT FUNCTION

The Internal Audit Function reports directly to the Audit Committee ("AC"). The responsibility of the Internal Audit Function is to evaluate the adequacy and effectiveness of the internal control processes; report on inadequacies and make recommendations for improvements to the system of internal control. Follow-up reviews are undertaken on audit issues towards ensuring that the recommendations are adequate and effective. Audit Reports are tabled at the Audit Committee Meetings for deliberation. The annual internal audit plan is reviewed and approved by the Audit Committee.

OTHER KEY ELEMENT ON INTERNAL CONTROL SYSTEM

Internal control processes which are embedded for effective Group's operations includes:-

- Clear organisational structure and financial authorisation limits are clearly defined;
- Group policies, including Principles of Business Conduct and Whistle Blowing Policy and Standard Operating Procedures to ensure compliance with internal controls, relevant laws and regulations;
- Annual business plans of all Business Units are reviewed and approved by the respective Divisional Executive Committee;
- Group budgets are reviewed and approved by the Board;
- Regular Executive Committee meetings at Business Units are held to review the operational and key performance indicators against the approved budget;
- Utilisation of contract tendering and evaluation process for large projects; and
- Weekly report on Group cash position is monitored by Group Treasury.

Periodic site visits to operating units are undertaken by the members of the Executive Committee and/or the members of the Board whenever deemed appropriate.

The Group's system of risk management and internal control applies principally to WSC and its subsidiaries. Associate companies and joint ventures have been excluded because the Group does not have full management control and/or majority Board representation.

REVIEW OF THIS STATEMENT

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act, 1965 in Malaysia and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2014, and of the results of their operations and cash flows for the financial year ended on that date.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgements and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have the pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

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

The principal activities of the Group consist of specialised pipe coating and corrosion protection services; Engineering, Procurement and Construction ("EPC"); fabrication and rental of gas compressors and process equipment; Exploration and Production ("E&P") of products and services; renewable energy; infrastructure materials and services; and oil palm plantation.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year attributable to:		
- Owners of the Company	125,565	110,008
- Non-controlling interests	21,544	-
Net profit for the financial year	**147,109**	**110,008**

DIVIDENDS

The dividends paid or declared since the end of the previous financial year were as follows:

In respect of financial year ended 31 December 2014:

(a) On 25 August 2014, the Directors declared a first interim single tier cash dividend of 2.5 sen per share, amounting to net dividend payment of RM19,313,559, paid on 2 October 2014.

(b) On 26 February 2015, the Directors declared a second interim dividend comprising:

  (i) Single tier cash dividend of 2.5 sen per share amounting to RM19,264,271; and

  (ii) Special single tier share dividend of 4,276,929 treasury shares distributed to the shareholders of Wah Seong Corporation Berhad ("WSC") on the basis of one (1) WSC share for every one hundred and eighty (180) existing WSC ordinary shares of RM0.50 each held at the entitlement date on 16 March 2015. Based on the share price of WSC shares of RM1.21 each as at 31 December 2014, the value of the share dividend per WSC share is equivalent to a gross cash dividend of 0.67 sen per share.

The second interim dividend was paid/credited into the entitled shareholders' securities accounts on 3 April 2015.

In respect of financial year ended 31 December 2013:

(a) On 22 August 2013, the Directors declared a first interim single tier cash dividend of 2.0 sen per share, amounting to net dividend payment of RM15,422,729, paid on 3 October 2013.

DIVIDENDS (CONTINUED)

(b) On 25 February 2014, the Directors declared a second interim dividend comprising:

(i) Single tier cash dividend of 2.0 sen per share amounting to RM15,390,365; and

(ii) Special single tier share dividend of 5,126,090 treasury shares distributed to the shareholders of Wah Seong Corporation Berhad ("WSC") on the basis of one (1) WSC share for every one hundred and fifty (150) existing WSC ordinary shares of RM0.50 each held at the entitlement date on 13 March 2014. Based on the share price of WSC shares of RM1.65 each as at 31 December 2013, the value of the share dividend per WSC share is equivalent to a gross cash dividend of 1.10 sen per share.

The second interim dividend was paid/credited into the entitled shareholders' securities accounts on 3 April 2014.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2014.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

TREASURY SHARES

During the financial year, the Company purchased 3,446,000 of its issued share capital from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM6,045,917. The average price paid for the shares purchased during the financial year was approximately RM1.75 per share.

As at 31 December 2014, the number of treasury shares held by the Company was 3,589,967 shares.

Subsequent to the financial year ended 31 December 2014, a total of 4,276,929 treasury shares were declared as special single tier share dividend by the Directors on 26 February 2015, distributed to the shareholders for the financial year ended 31 December 2014, on the basis of one (1) WSC share for every one hundred and eighty (180) existing WSC ordinary shares of RM0.50 each held at the entitlement date on 16 March 2015 (fractions of treasury shares to be disregarded).

Details of the treasury shares are set out in Note 28 to the financial statements.

DIRECTORS

The Directors in office since the date of the last report are:

Dato' Seri Robert Tan Chung Meng
Chan Cheu Leong
Giancarlo Maccagno
Halim Bin Haji Din
Pauline Tan Suat Ming
Professor Tan Sri Lin See Yan
Tan Sri Ab Rahman Bin Omar (Retired on 20 June 2014)
Daniel Yong Chen-I (Alternate Director to Pauline Tan Suat Ming)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act, 1965, none of the Directors who held office at the end of the financial year held any shares in the Company and its related corporations during the financial year except as follows:

	Number of ordinary shares of RM0.50 each			
	As at 1.1.2014	**Acquired**	**Disposed**	**As at 31.12.2014**
The Company				
Dato' Seri Robert Tan Chung Meng				
- direct interest	10,832,511	72,216^	-	10,904,727
- deemed interest#	293,469,834	2,806,565^^	(2,000,000)+	294,276,399
Chan Cheu Leong				
- direct interest	18,715,734	1,164,474@	-	19,880,208
- deemed interest*	39,771,493	636,646@@	-	40,408,139
Giancarlo Maccagno				
- direct interest	15,594,886	453,965@@@	-	16,048,851
Pauline Tan Suat Ming				
- direct interest	2,100,335	14,001^	-	2,114,336
- deemed interest##	294,207,325	2,811,478^^^	(2,000,000)+	295,018,803
Daniel Yong Chen-I				
- direct interest	48,534	323^	-	48,857
- deemed interest***	2,789,292	18,591^	-	2,807,883

By virtue of their interests of more than 15% in the shares of the Company, Dato' Seri Robert Tan Chung Meng and Pauline Tan Suat Ming are deemed to be interested in the shares of all the subsidiaries to the extent that the Company has an interest.

\# Deemed interest held through Wah Seong Enterprises Sdn. Bhd. ("**WSE**"), Wah Seong (Malaya) Trading Co. Sdn. Bhd. ("**WST**") and Tan Kim Yeow Sendirian Berhad ("**TKYSB**") pursuant to Section 6A of the Companies Act, 1965 ("**the Act**").

\## Deemed interest held through WSE, WST and TKYSB pursuant to Section 6A of the Act and include interests of her spouse and children.

* Deemed interest held through Midvest Asia Sdn. Bhd. pursuant to Section 6A of the Act and includes interests of his spouse and children.

*** Deemed interest held through Pauline Tan Suat Ming, his mother pursuant to Section 6A of the Act and include interests of his father and siblings.

^ Derived from the distribution by Wah Seong Corporation Berhad ("**WSC**") of a Special Single Tier Share Dividend on the basis of one (1) WSC treasury share for every one hundred and fifty (150) ordinary shares of RM0.50 each held in WSC, fractions of treasury shares were disregarded ("**Special Single Tier Share Dividend**").

\+ Distribution by WST of 2,000,000 WSC's ordinary shares of RM0.50 each ("**WSC share(s)**") held by WST by virtue of WST's declaration of a Single Tier Share Dividend on the basis of one (1) WSC share held by WST for every twenty (20) ordinary shares of RM1.00 each held in WST ("**Single Tier Share Dividend by WST**").

^^ Out of 2,806,565 shares, 850,102 shares were derived from the distribution of a Single Tier Share Dividend by WST and 1,956,463 shares were derived from the distribution by WSC of a Special Single Tier Share Dividend.

DIRECTORS' INTERESTS (CONTINUED)

@ Out of 1,164,474 shares, 125,074 shares were derived from the distribution by WSC of a Special Single Tier Share Dividend.

@@ Out of 636,646 shares, 266,046 shares were derived from the distribution by WSC of a Special Single Tier Share Dividend.

@@@ Out of 453,965 shares, 103,965 shares were derived from the distribution by WSC of a Special Single Tier Share Dividend.

^^^ Out of 2,811,478 shares, 850,102 shares were derived from the distribution of a Single Tier Share Dividend by WST and 1,961,376 shares were derived from the distribution by WSC of a Special Single Tier Share Dividend.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown in Notes 38 and 46 to the financial statements) by reason of a contract made by the Company or by 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.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of profit or loss, statements of other 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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

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

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

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

   (i) any charge on the assets of the Group and 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 and of the Company which has arisen since the end of the financial year.

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

OTHER STATUTORY INFORMATION (CONTINUED)

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

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

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

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board of Directors in accordance with their resolution dated 23 April 2015.

CHAN CHEU LEONG
DIRECTOR

HALIM BIN HAJI DIN
DIRECTOR

Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, Chan Cheu Leong and Halim Bin Haji Din, two of the Directors of Wah Seong Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 54 to 170 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965, Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The supplementary information set out on page 171 has 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 dated 23 April 2015.

CHAN CHEU LEONG
DIRECTOR

HALIM BIN HAJI DIN
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

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

I, Ramanathan A/L P.R. Singaram, the officer primarily responsible for the financial management of Wah Seong Corporation Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 54 to 170 and supplementary information set out on page 171 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.

RAMANATHAN A/L P.R. SINGARAM

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 23 April 2015.

Before me:

S.ARULSAMY (W.490)
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WAH SEONG CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)
(COMPANY NO. 495846 A)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Wah Seong Corporation Berhad on pages 54 to 170 which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 53.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine 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 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 entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.

(c) 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in page 171 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 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 respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

TIANG WOON MENG
(No. 2927/05/16 (J))
Chartered Accountant

Kuala Lumpur
23 April 2015

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Group		Company	
		2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	4	**773,689**	744,637	**7,042**	5,066
Prepaid lease payments	5	**192,864**	178,190	**-**	-
Biological assets	6	**18,745**	17,738	**-**	-
Investment properties	7	**11,097**	11,165	**19,912**	22,284
Investment in subsidiaries	8	**-**	-	**679,287**	691,563
Investment in associates	9	**164,223**	147,779	**-**	-
Investment in joint ventures	10	**136,749**	34,265	**-**	-
Available-for-sale financial assets	11	**1,063**	1,072	**-**	-
Derivative financial assets	12	**-**	32	**-**	-
Goodwill	13	**129,010**	114,633	**-**	-
Other intangible assets	14	**75**	46	**-**	-
Deferred tax assets	15	**19,185**	10,437	**1,029**	1,029
Long term deposit	16	**33,093**	-	**-**	-
		1,479,793	1,259,994	**707,270**	719,942
CURRENT ASSETS					
Inventories	17	**204,523**	205,187	**-**	-
Amounts due from customers on contracts	18	**133,834**	88,148	**-**	-
Trade and other receivables	19	**750,896**	503,256	**1,684**	1,853
Amounts owing by subsidiaries	20(a)	**-**	-	**307,470**	246,410
Amounts owing by associates	21(a)	**1,446**	7,372	**-**	-
Amounts owing by joint ventures	22(a)	**42,403**	32,572	**23**	16
Tax recoverable		**11,954**	17,274	**420**	8,304
Derivative financial assets	12	**1**	73	**-**	-
Time deposits	23	**95,571**	176,792	**34,312**	19,962
Cash and bank balances	24	**149,521**	204,285	**25,870**	6,457
		1,390,149	1,234,959	**369,779**	283,002
Assets classified as held for sale	25	**31,373**	4,223	**-**	-
TOTAL ASSETS		**2,901,315**	2,499,176	**1,077,049**	1 ,002,944

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	26	**387,444**	387,444	**387,444**	387,444
Share premium	27	**160,246**	160,246	**160,246**	160,246
Treasury shares	28	**(6,285)**	(8,893)	**(6,285)**	(8,893)
Exchange translation reserves	29	**19,483**	11,705	**-**	-
Available-for-sale reserve	29	**7**	16	**-**	-
Retained profits	31	**514,082**	432,991	**268,143**	201,493
		1,074,977	983,509	**809,548**	740,290
Non-controlling interests		**193,306**	172,339	**-**	-
TOTAL EQUITY		**1,268,283**	1,155,848	**809,548**	740,290
NON-CURRENT AND DEFERRED LIABILITIES					
Loans and borrowings	32	**136,347**	182,118	**-**	-
Deferred tax liabilities	15	**9,919**	9,916	**-**	-
Trade and other payables	33	**4,085**	13,391	**-**	-
		150,351	205, 425	**-**	-
CURRENT LIABILITIES					
Amounts due to customers on contracts	18	**51,415**	67,896	**-**	-
Trade and other payables	33	**519,808**	397,652	**10,261**	8,888
Provision for warranties	34	**11,561**	8,236	**-**	-
Amounts owing to subsidiaries	20(b)	**-**	-	**1,528**	39,571
Amount owing to an associate	21(b)	**-**	32	**-**	-
Amount owing to a joint venture	22(b)	**5,384**	4,990	**-**	-
Derivative financial liabilities	12	**4,135**	938	**-**	-
Loans and borrowings	32	**879,463**	647,258	**255,712**	214,195
Dividend payable		**-**	1,961	**-**	-
Current tax liabilities		**10,915**	8,940	**-**	-
		1,482,681	1,137,903	**267,501**	262,654
TOTAL LIABILITIES		**1,633,032**	1,343,328	**267,501**	262,654
TOTAL EQUITY AND LIABILITIES		**2,901,315**	2,499,176	**1,077,049**	1,002,944

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Gross revenue	35	**2,438,620**	1,779,383	**69,116**	68,936
Cost of sales	36	**(1,952,964)**	(1,506,254)	**-**	-
Gross profit		**485,656**	273,129	**69,116**	68,936
Other operating income		**45,677**	49,311	**64,664**	941
Selling and distribution expenses		**(32,906)**	(27,161)	**-**	-
Administrative and general expenses		**(276,565)**	(208,551)	**(18,817)**	(17,388)
Other losses - net	37	**(3,155)**	(1,341)	**-**	-
Profit from operations	38	**218,707**	85,387	**114,963**	52,489
Finance costs	39	**(20,882)**	(18,993)	**(4,274)**	(3,058)
Share of results of associates		**7,562**	927	**-**	-
Share of results of joint ventures		**(6,907)**	(3,002)	**-**	-
Profit before tax		**198,480**	64,319	**110,689**	49,431
Tax expense	40	**(51,371)**	(32,026)	**(681)**	(760)
Net profit for the financial year		**147,109**	32,293	**110,008**	48,671
Net profit/(loss) for the financial year attributable to:					
Owners of the Company		**125,565**	32,324	**110,008**	48,671
Non-controlling interests		**21,544**	(31)	**-**	-
Net profit for the financial year		**147,109**	32,293	**110,008**	48,671
Earnings per share computed based on the net profit for the financial year attributable to the owners of the Company:					
- basic and diluted (sen)	41	**16.26**	4.20		

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Group		Company	
	Note	2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
Net profit for the financial year		**147,109**	32,293	**110,008**	48,671
Other comprehensive income/ (expenses):					
Items that may be subsequently reclassified to profit or loss:					
Available-for-sale financial assets	29				
- Fair value (losses)/gains		**(9)**	2	**-**	-
- Transfer to profit or loss upon disposal		**-**	(40)	**-**	-
Foreign currency translation differences for foreign operations		**7,009**	18,331	**-**	-
Other comprehensive income for the financial year, net of tax		**7,000**	18,293	**-**	-
Total comprehensive income for the financial year		**154,109**	50,586	**110,008**	48,671
Total comprehensive income for the financial year attributable to:					
Owners of the Company		**133,334**	45,501	**110,008**	48,671
Non-controlling interests		**20,775**	5,085	**-**	-
Total comprehensive income for the financial year		**154,109**	50,586	**110,008**	48,671

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Attributable to owners of the Company								
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Exchange translations reserves RM'000	Available-for-sale reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2014		387,444	160,246	(8,893)	11,705	16	432,991	983,509	172,339	1,155,848
Net profit for the financial year		-	-	-	-	-	125,565	125,565	21,544	147,109
Other comprehensive income/(expense) for the financial year		-	-	-	7,778	(9)	-	7,769	(769)	7,000
Total comprehensive income/(expense) for the financial year		-	-	-	7,778	(9)	125,565	133,334	20,775	154,109
Transactions with owners:										
Shares repurchased (including transaction costs)	28	-	-	(6,046)	-	-	-	(6,046)	-	(6,046)
Cash dividends paid to owners of the Company	42	-	-	-	-	-	(34,704)	(34,704)	-	(34,704)
Share dividends distributed to owners of the Company	42	-	-	8,654	-	-	(8,654)	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(5,173)	(5,173)
Total contributions by and distributions to owners		-	-	2,608	-	-	(43,358)	(40,750)	(5,173)	(45,923)
Acquisition of shares in an existing subsidiary from non-controlling interest		-	-	-	-	-	(1,116)	(1,116)	(2,619)	(3,735)
Issuance of Redeemable Convertible Preference Shares to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	8,005	8,005
Acquisition of new subsidiaries		-	-	-	-	-	-	-	(21)	(21)
Total changes in ownership interest in subsidiaries that did not result in a loss of control		-	-	-	-	-	(1,116)	(1,116)	5,365	4,249
Total transactions with owners		-	-	2,608	-	-	(44,474)	(41,866)	192	(41,674)
At 31 December 2014		387,444	160,246	(6,285)	19,483	7	514,082	1,074,977	193,306	1,268,283

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

	Note	Attributable to owners of the Company									
		Share capital	Share premium	Treasury shares	Exchange translations reserves	Available-for-sale reserve	Warrants reserve	Retained profits	Total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013		387,444	160,254	(8,573)	(1,561)	54	25,786	421,675	985,079	99,607	1,084,686
Net profit/(loss) for the financial year		-	-	-	-	-	-	32,324	32,324	(31)	32,293
Other comprehensive income/(expense) for the financial year		-	-	-	13,215	(38)	-	-	13,177	5,116	18,293
Total comprehensive income/(expense)for the financial year		-	-	-	13,215	(38)	-	32,324	45,501	5,085	50,586
Transactions with owners:											
Shares repurchased (including transaction costs)	28	-	-	(12,628)	-	-	-	-	(12,628)	-	(12,628)
Acquisition of additional equity interests in existing joint ventures resulting in a subsidiary		-	-	-	-	-	-	-	-	70,919	70,919
Warrants exercised and expiry of unexercised warrants	30	-	(8)	-	-	-	(25,786)	25,786	(8)	-	(8)
Issue of shares to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	-	498	498
Cash dividends paid to owners of the Company	42	-	-	-	-	-	-	(34,605)	(34,605)	-	(34,605)
Share dividends distributed to owners of the Company	42	-	-	12,308	-	-	-	(12,308)	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(3,609)	(3,609)
Total contributions by and distributions to owners		-	(8)	(320)	-	-	(25,786)	(21,127)	(47,241)	67,808	20,567
Disposal of a subsidiary that did not result in a loss of control	44(b)	-	-	-	51	-	-	119	170	(161)	9
Total changes in ownership interest in subsidiaries that did not result in a loss of control		-	-	-	51	-	-	119	170	(161)	9
Total transactions with owners		-	(8)	(320)	51	-	(25,786)	(21,008)	(47,071)	67,647	20,576
At 31 December 2013		387,444	160,246	(8,893)	11,705	16	-	432,991	983,509	172,339	1,155,848

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2014		**387,444**	**160,246**	**(8,893)**	**201,493**	**740,290**
Total comprehensive income for the financial year		**-**	**-**	**-**	**110,008**	**110,008**
Transactions with owners:						
Shares repurchased (including transaction costs)	28	**-**	**-**	**(6,046)**	**-**	**(6,046)**
Share dividends distributed to owners of the Company	42	**-**	**-**	**8,654**	**(8,654)**	**-**
Cash dividends paid to owners of the Company	42	**-**	**-**	**-**	**(34,704)**	**(34,704)**
Total contributions by and distributions to owners		**-**	**-**	**2,608**	**(43,358)**	**(40,750)**
At 31 December 2014		**387,444**	**160,246**	**(6,285)**	**268,143**	**809,548**

	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Warrants reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2013		387,444	160,254	(8,573)	25,786	173,949	738,860
Total comprehensive income for the financial year		-	-	-	-	48,671	48,671
Transactions with owners:							
Shares repurchased (including transaction costs)	28	-	-	(12,628)	-	-	(12,628)
Warrants exercised and expiry of unexercised warrants	30	-	(8)	-	(25,786)	25,786	(8)
Share dividends distributed to owners of the Company	42	-	-	12,308	-	(12,308)	-
Cash dividends paid to owners of the Company	42	-	-	-	-	(34,605)	(34,605)
Total contributions by and distributions to owners		-	(8)	(320)	(25,786)	(21,127)	(47,241)
At 31 December 2013		387,444	160,246	(8,893)	-	201,493	740,290

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**198,480**	64,319	**110,689**	49,431
Adjustments for:					
Property, plant and equipment:					
- Depreciation charge		**74,450**	56,242	**421**	386
- Written off		**168**	107	**-**	-
- Gain on disposal		**(158)**	(197)	**-**	-
Amortisation of prepaid lease payments		**3,022**	2,657	**-**	-
Depreciation of investment properties		**365**	384	**219**	249
Amortisation of other intangible assets		**22**	22	**-**	-
Gain on disposal of available for-sale-financial assets		**-**	(109)	**-**	-
Gain on disposal of subsidiaries		**-**	-	**(63,364)**	-
Inventories:					
- Allowance for obsolescence		**980**	3,380	**-**	-
- Write back of allowance for obsolescence		**(51)**	(66)	**-**	-
- Written off		**230**	135	**-**	-
Gain on remeasurement on disposal of an associate		**-**	(3,348)	**-**	-
Impairment loss on investment in					
- subsidiary		**-**	-	**640**	900
- joint ventures		**7,286**	-	**-**	-
Impairment loss on amount owing by an associate		**47**	47	**-**	-
Impairment loss on property, plant and equipment		**14,548**	-	**-**	-
Share of results of associates		**(7,562)**	(927)	**-**	-
Impairment loss on amount owing by a joint venture		**120**	9	**-**	-
Share of results of joint ventures		**6,907**	3,002	**-**	-
Negative goodwill on acquisition of a new subsidiary		**-**	(3,601)	**-**	-
Reversal of impairment loss of investment property		**-**	(171)	**-**	-
Reversal of unrealised loss from sale of equipment to a joint venture		**(182)**	-	**-**	-
Written off of biological assets		**356**	-	**-**	-
Written off of other intangible assets		**678**	-	**-**	-
Net impairment on trade and other receivables		**2,540**	16,939	**-**	15

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Impairment loss on trade receivables written off		**2,673**	2,928	**-**	-
Provision for warranties		**3,221**	6,649	**-**	-
Net unrealised (gain)/loss on foreign exchange		**(10,373)**	5,325	**(211)**	7,705
Dividend income		**-**	-	**(55,531)**	(63,469)
Interest income from loans and receivables		**(7,026)**	(7,718)	**(7,267)**	(3,190)
Interest expense		**20,882**	18,993	**4,274**	3,058
Fair value losses on derivative financial instruments	37	**3,155**	1,341	**-**	-
		314,778	166,342	**(10,130)**	(4,915)
Changes in working capital:					
Inventories		**321**	20,613	**-**	-
Receivables		**(291,476)**	18,290	**169**	(504)
Payables		**81,442**	98,399	**1,373**	202
Cash generated from/(used in) operations		**105,065**	303,644	**(8,588)**	(5,217)
Interest received		**7,026**	7,718	**7,267**	3,190
Interest paid		**(20,882)**	(18,993)	**(4,274)**	(3,058)
Tax (paid)/refunded		**(50,625)**	(20,226)	**7,203**	(514)
Net cash generated from/(used in) operating activities		**40,584**	272,143	**1,608**	(5,599)

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(130,301)**	(206,054)	**(244)**	(77)
Purchase of other intangible assets		**(48)**	-	**-**	-
Purchase of investment properties		**(2,450)**	(125)	**-**	-
Purchase of prepaid lease payments		**-**	(5,589)	**-**	-
Addition of biological assets		**(2,735)**	(9,944)	**-**	-
Subscription of shares in an associate		**-**	(33,178)	**-**	-
Payment for subscription of interest in joint ventures		**(106,490)**	-	**-**	-
Additional investment in joint ventures		**-**	(12,271)	**-**	-
Acquisition of new subsidiaries		**524**	(8,704)	**-**	-
Proceeds from disposal of property, plant and equipment		**606**	510	**-**	-
Proceeds from disposal of available-for-sale financial assets		**-**	142	**-**	-
Long term deposit		**(33,093)**	-	**-**	-
Net cash inflow from acquisition of assets		**-**	4,364	**-**	-
Net cash inflow from disposal of subsidiaries	44(a)	**-**	-	**75,000**	-
Dividends received from:					
- subsidiaries		**-**	-	**54,083**	35,643
- joint ventures		**1,475**	2,147	**-**	-
- associates		**880**	577	**-**	-
Net advances to subsidiaries		**-**	-	**(86,856)**	(76,613)
Advance to a joint venture		**-**	-	**(7)**	-
Net cash (used in)/from investing activities		**(271,632)**	(268,125)	**41,976**	(41,047)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Purchase of treasury shares	28	**(6,046)**	(12,628)	**(6,046)**	(12,628)
Drawdown from other bank borrowings		**940,024**	601,138	**241,531**	116,383
Repayments of other bank borrowings		**(749,787)**	(448,507)	**(209,377)**	(63,545)
Drawdown from term loans		**-**	157,730	**-**	-
Repayments of term loans		**(84,353)**	(208,486)	**-**	-
Drawdown of fixed rate notes		**29,278**	-	**-**	-
Payment of hire purchase instalments		**-**	(27)	**-**	-
Deferred payments made to non-controlling interests for additional shares in a subsidiary		**(206)**	(208)	**-**	-
Proceeds from non-controlling interests on issuance of shares by a subsidiary		**-**	498	**-**	-
Exercise of warrants net of transaction cost		**-**	(8)	**-**	(8)
Dividends paid to owners of the Company	42	**(34,704)**	(34,605)	**(34,704)**	(34,605)
Dividends paid to non-controlling interests		**(7,134)**	(1,648)	**-**	-
Cash receipts from subscription of redeemable convertible preference shares by non-controlling interests		**8,005**	-	**-**	-
Acquisition of additional shares in a subsidiary		**(3,735)**	-	**-**	-
Net cash generated from/(used in) financing activities		**91,342**	53,249	**(8,596)**	5,597
NET CHANGES IN CASH AND CASH EQUIVALENTS		**(139,706)**	57,267	**34,988**	(41,049)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**381,077**	313,709	**26,419**	65,646
EFFECTS OF EXCHANGE RATE CHANGES		**3,721**	10,101	**(1,225)**	1,822
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**245,092**	381,077	**60,182**	26,419
Represented by:					
TIME DEPOSITS	23	**95,571**	176,792	**34,312**	19,962
CASH AND BANK BALANCES	24	**149,521**	204,285	**25,870**	6,457
CASH AND CASH EQUIVALENTS		**245,092**	381,077	**60,182**	26,419

1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business are as follows:

Registered office and principal place of business:
Suite 19.01, Level 19
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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

The principal activities of the Group consist of specialised pipe coating and corrosion protection services; Engineering, Procurement and Construction ("EPC"); fabrication and rental of gas compressors and process equipment; Exploration and Production ("E&P") of products and services; renewable energy; infrastructure materials and services; and oil palm plantation.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

These financial statements were authorised for issue by the Directors on 23 April 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

(a) Standards, amendments to published standards and interpretations that are effective

The following standards have been adopted by the Group and the Company for the first time for the financial year beginning on or after 1 January 2014:

- Amendments to MFRS 132 "Financial Instruments: Presentation" does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

- The amendments to MFRS 136 "Impairment of assets" removed certain disclosures of the recoverable amount of cash-generating units which had been included in MFRS 136 by the issuance of MFRS 13.

The adoption of the revised standards and amendments that are applicable from the financial year beginning on 1 January 2014 did not have any impact on the financial position and results of the Group and the Company.

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

- Annual Improvements to MFRSs 2010-2012 Cycle

  i) Amendments to MFRS 3 "Business Combinations" clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definition in MFRS 132 "Financial Instruments: Presentation". It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit or loss.

  ii) Amendments to MFRS 8 "Operating Segments" which is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

  iii) Amendments to MFRS 13 "Fair Value Measurement" which amended the basis of conclusions to clarify that it did not intend to remove the ability to measure short term receivables and payables at invoice amounts where the effect of discounting is material.

  iv) Amendments to MFRS 124 "Related Party Disclosures" is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the "management entity"). Disclosure of the amounts charged to the reporting entity is required.

  v) Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets" are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses revaluation model.

  The Group and the Company will apply these amendments from financial year beginning on 1 January 2015. It is not expected to result in any material impact on the financial position and results of the Group and the Company upon adoption of these amendments.

- Annual Improvements to MFRSs 2011-2013 Cycle

  i) Amendments to MFRS 1 "First-time Adoption of Financial Reporting Standards" basis of conclusions is amended to clarify that where a new standard is not mandatory but it is available for early adoption, a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.

  ii) Amendments to MFRS 3 "Business Combinations" is amended to clarify that MFRS 3 does not apply to the accounting for the formation of any joint venture under MFRS 11.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

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

iii) Amendments to MFRS 13 "Fair Value Measurement" is amended to clarify that the portfolio exception in MFRS 13 applies to all contracts (including non-financial contracts) within the scope of MFRS 139 or MFRS 9.

iv) Amendments to MFRS 140 "Investment Property" is amended to clarify that MFRS 140 and MFRS 3 are not mutually exclusive. MFRS 140 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in MFRS 3 to determine whether the acquisition of an investment property is a business combination.

The Group and the Company will apply these amendments from financial year beginning on 1 January 2015. It is not expected to result in any material impact on the financial position and results of the Group and the Company upon adoption of these amendments.

- Amendments to MFRS 11 "Joint Arrangements" provides new guidance on how to account for the acquisition of an interest in a joint venture operation that constitutes a business. The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes "business". The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control. The Group and the Company will apply this amendment from financial year beginning on 1 January 2016. It is not expected to result in any material impact on the financial position and results of the Group and the Company upon adoption of this amendment.

- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets" clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue is generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

  This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where an intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible assets are highly correlated.

  The Group and the Company will apply these amendments from financial year beginning on 1 January 2016. It is not expected to result in any material impact on the financial position and results of the Group and the Company upon adoption of these amendments.

- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture" change the reporting for bearer plants, such as grape vines, rubber trees and oil palms. Bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. The amendments include them in the scope of MFRS 116 rather than MFRS 141.

  The produce on bearer plants will remain the scope of MFRS 141.

The Group and the Company will apply these amendments from financial year beginning on 1 January 2016. It is not expected to result in any material impact on the financial position and results of the Group and the Company upon adoption of these amendments.

- Amendments to MFRS 127 "Separate Financial Statements" allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Group and the Company will apply this amendment from financial year beginning on 1 January 2016. It is not expected to result in any material impact on the financial position and results of the Group and the Company upon adoption of this amendment.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

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

- Annual Improvements to MFRSs 2012-2014 Cycle

  i) Amendments to MFRS 5 " Non-current Assets Held for Sale and Discontinued Operations" clarifies that, when an asset (or disposal group) is reclassified from "held for sale" to "held for distribution", or vice versa, this does not constitute a change to a plan of plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as "held for sale" or "held for distribution" simply because the manner of disposal has changed. The amendment also explains that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as "held for sale".

  ii) Amendments to MFRS 7 "Financial Instruments: Disclosures" addresses two amendments namely on:

  - Servicing contracts - If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, MFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The standard provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively. There is a consequential amendment to MFRS 1 to give the same relief to first time adopters.

  - Interim financial statements - the amendments clarifies that the additional disclosure required by the amendments to MFRS 7 "Disclosure- Offsetting Financial Assets and Financial Liabilities" is not specifically required for all interim periods unless required by MFRS 134. This amendment is retrospective.

  iii) Amendments to MFRS 134 "Interim Financial Reporting" clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report". The amendment also amends MFRS 134 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

  The Group and the Company will apply these amendments from financial year beginning on 1 January 2017. It is not expected to result in any material impact on the financial position and results of the Group and the Company upon adoption of these amendments.

- MFRS 15 "Revenue from Contracts with Customers" is a converged standard on revenue recognition. It replaces MFRS 11 "Construction Contracts", MFRS 118 "Revenue" and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be identified in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  Step 1: Identify the contract(s) with a customer
  Step 2: Identify the performance obligations in the contract
  Step 3: Determine the transaction price
  Step 4: Allocate the transportation price to the performance obligations in the contract
  Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

  MFRS 15 also includes a cohesive set of disclosure requirement that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group and the Company is assessing the impact of MFRS 15.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

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

- MFRS 9 Financial Instruments "Classification and Measurement of Financial Assets and Financial Liabilities" will replace MFRS 139 "Financial instruments: Recognition and Measurement". MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortise cost, fair value through Other Comprehensive Income ("OCI") and fair value through profit & loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value through OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139.

  For financial liabilities there were no change to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

  MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

  This standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group and the Company are yet to assess MFRS 9's full impact.

2.3 Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) over which the Group has power to exercise control over variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy 2.15 on impairment of non-financial assets.

Subsidiaries acquired from other companies within Wah Seong Corporation Berhad Group as part of the restructuring scheme is accounted for under the "Predecessor Accounting" method as these were entities under common control. Under the predecessor method of accounting, the subsidiaries are consolidated as if the subsidiaries have always been part of Wah Seong Corporation Berhad Group.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity interests issued and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed to profit or loss as and when incurred. The cost of acquisition includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill in the statement of financial position – see accounting policy 2.12 (a) on goodwill. If the cost of acquisition is less than the fair value of the Group's share of identifiable net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

If a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured to its fair value on the date it becomes a subsidiary and the resulting gain or loss is recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (continued)

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests represent that portion of the profit or loss, other comprehensive income and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. It is measured at the non-controlling's share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition and the non-controlling's share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiary are attributed to the parent and non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance.

The gain or loss on disposal of a subsidiary, which is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal, including the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated profit or loss.

2.4 Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Effects of transactions with non-controlling interests are directly recognised in equity to the extent that there is no change in control. The difference between the fair value of any consideration paid/received and the carrying amount of the share of net assets acquired/sold are recorded in equity. Accordingly, such transactions will no longer result in goodwill or gains and losses upon disposal.

2.5 Associates

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in associates are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates.

The Group's share of the associate's post-acquisition profit or loss and other comprehensive income are recognised in the consolidated profit or loss and other comprehensive income respectively. The cumulative post-acquisition movements are adjusted against the carrying amounts of the investments.

An investment in an associate is accounted for using the equity method from the date on which the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying value of the investment and is not tested for impairment separately.

Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the financial period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Equity accounting is discontinued when the carrying amount of the investment in an associate diminishes by virtue of losses to zero, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Associates (continued)

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets of the previously acquired stake and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy 2.15 on impairment of non-financial assets.

On disposal, the difference between the net disposal proceeds and the net carrying amount of the associate disposed is taken to the profit or loss.

In the Company's separate financial statements, investment in associates is stated at cost less impairment loss.

2.6 Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group has interests in joint venture, which are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition profit or loss and other comprehensive income within consolidated profit or loss and other comprehensive income respectively. The cumulative post-acquisition movements are adjusted against the cost of investment and include goodwill on acquisition (net of accumulated impairment loss).

The Group recognises the portions of gains or losses on the sale of assets by the Group to the joint venture that is attributable to other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy 2.15 on impairment of non-financial assets.

On disposal, the difference between the net disposal proceeds and the carrying amount of the joint venture disposed is included in the profit or loss.

In the Company's separate financial statements, investment in joint ventures is stated at cost less impairment loss.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment

(a) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment initially recognised includes purchase price and any expenditure that is directly attributable to the acquisition of the assets. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See accounting policy 2.26 on borrowing costs. Items such as spare parts are recognised when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 2.15 on impairment of non-financial assets.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss in the financial year the asset is derecognised.

(b) Depreciation

Freehold land is not depreciated as it has an indefinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost. The estimated useful lives of the property, plant and equipment are as follows:

Buildings	10 – 50 years
Plant, machinery, tools and equipment	2 – 25 years
Electrical installations, office equipment and furniture and fittings	4 – 10 years
Computer equipment	3 – 10 years
Renovation and store extension	2 – 50 years
Motor vehicles	3 – 5 years

Assets under construction included in plant and equipment are not depreciated as these assets are yet to be available for use.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases

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

Accounting as lessee

(a) Finance lease

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the lower of the fair value of the leased assets and the estimated present value of the minimum lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the lease principal outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rent, if any, are charged as expenses in the periods which they are incurred.

Property, plant and equipment acquired under finance lease contracts are depreciated over the shorter of the lease term and its useful life.

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

(b) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight line basis over the lease period.

Accounting as lessor

Operating leases

The Group leases its investment properties under operating leases to non-related parties.

Leases of investment properties, where the Group retains substantially all risks and rewards incidental to ownership, are classified as operating leases. Rental income from operating leases is recognised in profit or loss on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

2.9 Prepaid lease payments

Leasehold land that has a definite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as operating lease. Prepaid lease payments are carried at cost or surrogate carrying amount and are amortised on a straight line basis over the lease terms in accordance with the pattern of benefits provided.

At each reporting date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the prepaid lease asset is assessed and written down immediately to its recoverable amount. See accounting policy 2.15 on impairment of non-financial assets.

Leasehold land is amortised over the remaining period of the respective leases ranging from 24 to 96 years (2013: 25 to 97 years).

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Biological assets

Biological assets comprise of expenditure incurred on land clearing, planting, fertilising and other associated cost incurred to upkeep of the crops to maturity. Biological assets are measured at fair value less cost to sells, except on initial recognition for which market determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. In such case, the biological assets are stated at cost less accumulated depreciation and accumulated impairment loss if any. See accounting policy 2.15 on impairment of non-financial assets.

As each reporting date, the Group considers the nature of plantation activities being growing and managing oil palm plantations for the sale of oil palm. The biological assets have been stated at cost less accumulated depreciation and accumulated impairment if any, as there has been little biological transformation since the initial cost was incurred. There is currently no active market of the biological asset nor reliable alternative estimates of fair value available. The oil palm trees are considered to be matured by 36 months after the initial field planting.

2.11 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

(a) Measurement basis

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repair and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

At each reporting date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the investment property is assessed and written down immediately to its recoverable amount. See accounting policy 2.15 on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. Transfers from investment property to owner-occupied property are made at the carrying amount as at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment as set out in Note 2.7 up to the date of change in use.

(b) Depreciation

Freehold land is not depreciated. Freehold buildings are depreciated over their estimated useful lives of 50 years.

Depreciation is calculated to write off the depreciable amount of other investment properties on a straight line basis over their estimated useful lives. Depreciation amount is determined after deducting the residual value from the cost of the investment properties.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. See accounting policy 2.15 on impairment of non-financial assets. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. See accounting policy 2.15 on impairment of non-financial assets. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(a) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, joint ventures and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill on acquisition of subsidiaries is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Goodwill on acquisitions of joint ventures and associates is included in the carrying amounts of investments in joint ventures and associates respectively. Such goodwill is tested for impairment as part of the overall balance.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(b) Intellectual property

Expenditure on acquired intellectual property is capitalised and amortised using the straight line method over their estimated useful life, not exceeding a period of 20 years.

(c) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have an infinite useful life and are carried at cost less accumulated impairment.

(d) Technical know-how

Separately acquired technical know-how are shown at historical costs. Technical know-how acquired in a business combination is recognised at fair value at the acquisition date. Technical know-how has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of technical know-how over its estimated useful lives of 5 years.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first in, first out basis. In the case of finished goods and work in progress, cost comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

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

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.14 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits pledged to secure banking facilities.

2.15 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and 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). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.16 Provision for warranties

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to repair or replace products when the underlying products or services are sold. The provision is calculated based on historical warranty data and specific circumstances related to products or services sold, after considering the various possible outcomes against their associated probabilities.

2.17 Share capital

(a) Issue of shares

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred that are directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Share capital (continued)

(b) Dividend distribution

Dividend distribution to owners of the Company is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

(c) Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from equity attributable to owners of the Company. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

An amount equivalent to the original purchase cost of the treasury shares will be deducted from retained earnings upon the distribution of any treasury shares as share dividends.

2.18 Warrants reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants. Warrants reserve in relation to the unexercised warrants were transferred to retained earnings on expiry of these warrants.

2.19 Foreign currencies

(a) Functional and presentation currencies

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

(b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the rate of exchange ruling at the dates of the transactions.

Monetary items denominated in foreign currencies at the reporting date are translated at the foreign currency exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the foreign currency exchange rates ruling at the date of the transaction.

Foreign exchange gains and losses arising on the settlement of monetary items and the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

When a gain or loss on a non-monetary item is recognised in the profit or loss, any corresponding exchange gain or loss is recognised in profit or loss. When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Foreign currencies (continued)

(c) Translation of foreign operations

On consolidation, all assets and liabilities of foreign operations that have a functional currency other than Ringgit Malaysia, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at average exchange rates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken to other comprehensive income. Upon disposal of a foreign operation, the exchange translation differences relating to those foreign operations that were recorded within other comprehensive income are recognised in the profit or loss as part of the gain or loss on disposal.

In the case of a partial disposal that does not result in the Group losing control over a foreign operation, the proportionate share of accumulated exchange differences based on effective equity interest are re-attributed to non-controlling interests and are not recognised in profit or loss.

2.20 Financial assets

(a) Classification

The Group and the Company classify its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. The classification of financial assets is determined at initial recognition.

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

Financial assets at fair value through profit or loss are either financial assets held for trading or those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss at inception, are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date. Otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented within non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

Available-for-sale reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Financial assets (continued)

(b) Recognition and de-recognition

Regular purchases and sales of financial assets are recognised or derecognised on the trade date. Trade date refers to the date on which the Group and the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group or the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses within profit or loss.

(d) Subsequent measurement

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

Subsequent to initial recognition, financial asset at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss within 'other gains/(losses)-net'. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss.

(ii) Loans and receivables

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

(iii) Available-for-sale financial assets

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of available-for-sale financial asset are recognised in other comprehensive income. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised within other comprehensive income are included in profit or loss.

Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as other income. Dividends on available-for-sale financial assets are recognised in profit or loss when the Group'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.

(e) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) 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 consider 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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Financial assets (continued)

(e) Impairment of financial assets (continued)

(i) Financial assets carried at amortised cost (continued)

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 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 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.

(ii) Unquoted equity investments 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 occurred, 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 - equity investments

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.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been previously recognised in other comprehensive income, and there is evidence that the decline in fair value is due to an impairment loss, the cumulative loss previously recognised in other comprehensive income is reclassified 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. Instead, any increase in fair value subsequent to impairment loss is recognised in other comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Financial liabilities

(a) Classification

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

(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. Liabilities in this category are classified within current liabilities if they are either held for trading or are expected to be settled within 12 months after the reporting date. Otherwise, they are classified as non-current.

(ii) Other financial liabilities

The Group and the Company's other financial liabilities include trade payables, other payables, intercompany payables, loans and borrowings. Loans and borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(b) Recognition and de-recognition

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

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 de-recognition 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.

(c) Initial and subsequent measurement

Derivative financial liabilities are initially measured at fair value and subsequently stated at fair value, with any resulting gains or losses recognised in profit or loss. Net gains or losses on the derivatives include exchange differences.

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 borrowing are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

2.22 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Gains or losses on derivatives that are not designated as a hedging instrument are recognised in profit or loss within 'other gains/(losses) – net'. The Group currently does not hedge any of its derivative financial instruments.

2.24 Financial guarantee contracts

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

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, 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.

The fair value of financial guarantee contracts is the estimated amount that would be payable to the holder for assuming the obligations.

2.25 Revenue recognition

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

(a) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to date bear to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as amounts due from/(to) customers on construction contracts in the statement of financial position unless it is not probable that such contract costs are recoverable from the customers, in which case such costs are recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition (continued)

(a) Construction contracts (continued)

At the reporting date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as 'amount due from customers on contracts' within current assets. Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as 'amount due to customers on contracts' within current liabilities.

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables".

(b) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

(c) Service income

Service income is recognised on an accrual basis when services have been rendered.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income is recognised on a time proportion basis over the lease term.

(f) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate applicable.

(g) Management fee

Management fee is recognised on an accrual basis when service is rendered.

(h) Hire of machinery and equipment

Income from hire of machinery and equipment is recognised on a time proportion basis over the term of hire.

(i) Commission income

Commission income is recognised on an accrual basis when service is rendered.

2.26 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 expenditure and borrowing costs are incurred. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss using the effective interest method 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Income taxes

(a) Current tax

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group and the Company operates and includes all taxes based upon the taxable profits after taking into consideration available tax incentives.

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.

(b) Deferred tax

Deferred tax is recognised in full, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred tax assets on any unutilised portion of tax incentives are recognised to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentives can be utilised.

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

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when the enterprise has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

2.28 Employee benefits

(a) Short term benefits

Salaries, wages, bonuses and social security contributions are recognised as an expense in the financial year in which the services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlements to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur. Non-monetary benefits such as medical care, housing and other staff related expenses are charged to the profit or loss as and when incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Employee benefits (continued)

(b) Post-employment benefits

The Group has post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These post-employment benefit schemes are defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

As required by law, the Company and its subsidiaries in Malaysia make contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan, whereas subsidiaries in other countries make their respective local contributions, if required by law.

Such contributions are recognised as an expense in the profit or loss in the financial year to which they relate.

2.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Chief Executive Officer has been identified as the chief operating decision-maker as he is responsible for allocating resources and assessing performance of the Group's operating segments.

2.30 Disposal groups held for sale

Disposal groups are classified as assets/liabilities held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.31 Contingent liabilities

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

Contingent liability is not recognised on the statement of financial position of the Group, except for contingent liability assumed in a business combination that is a present obligation and which the fair values can be reliably determined.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Impairment of goodwill

The Group tests goodwill for impairment annually in accordance with the accounting policy in 2.12 (a) and whenever events or changes in circumstances indicate that the goodwill may be impaired. For the purposes of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. Judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units or groups of cash-generating units, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could affect the results of the Group's test for impairment of goodwill. Further details of the carrying amount and the key assumptions applied in the impairment assessment of goodwill are given in Note 13.

(b) Construction contracts

The Group recognises contract revenue based on the stage of completion method. The stage of completion is measured by reference to the contract costs incurred-to-date to the estimated total contract costs for the contract. When it is probable that the estimated total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

Judgement is required in the estimation of stage of completion, the extent of the contract costs incurred, as well as the recoverability of the construction contracts. The Group evaluates the estimates made using past experience.

(c) Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows to be derived from that asset. Projected future cash flows are calculated based on historical sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

4 PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Plant, machinery, tools and equipment RM'000	Electrical installations, computer and office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation and store extension RM'000	Capital work in progress RM'000	Total RM'000
2014										
Cost										
At 1 January		80,897	155,388	93,170	803,454	72,782	17,462	14,654	32,473	1,270,280
Additions		3,965	474	20,313	60,757	7,330	2,202	2,076	33,184	130,301
Disposals		-	(55)	-	(1,120)	(715)	(329)	-	-	(2,219)
Write-offs		-	-	-	(3)	(464)	-	-	(108)	(575)
Transfer from inventories		-	-	-	967	-	-	-	-	967
Transfer from investment properties	7	2,175	-	-	-	-	-	-	-	2,175
Transfer from biological assets	6	-	-	250	-	-	-	-	-	250
Transfer to prepaid lease payments	5	-	(13,031)	-	-	-	-	-	-	(13,031)
Transfer to asset classified as held for sale		-	-	-	(20,066)	-	-	-	(8,400)	(28,466)
Reclassification		-	-	706	14,153	(7,426)	-	2,852	(10,285)	-
Acquisition of subsidiaries		-	45	-	216	479	28	-	-	768
Effect of exchange rate changes		37	1,929	4,347	31,017	2,280	(127)	1,027	1,528	42,038
At 31 December		87,074	144,750	118,786	889,375	74,266	19,236	20,609	48,392	1,402,488

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Plant, machinery, tools and equipment RM'000	Electrical installations, computer and office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation and store extension RM'000	Capital work in progress RM'000	Total RM'000
2014										
Accumulated depreciation and impairment loss										
At 1 January		4,645	43,898	17,457	381,225	50,388	9,743	6,725	11,562	525,643
Depreciation charge for the financial year		689	4,243	8,516	51,271	6,246	2,014	1,471	-	74,450
Impairment charge for the financial year		-	-	-	14,314	-	234	-	-	14,548
Disposals		-	-	-	(744)	(699)	(328)	-	-	(1,771)
Write-offs		-	-	-	-	(407)	-	-	-	(407)
Transfer from investment properties	7	22	-	-	-	-	-	-	-	22
Transfer to prepaid lease payments	5	-	(421)	-	-	-	-	-	-	(421)
Transfer to asset classified as held for sale		-	-	-	(3,341)	-	-	-	-	(3,341)
Reclassification		-	-	-	5,609	(5,609)	-	-	-	-
Effect of exchange rate changes		-	1,370	1,581	14,582	1,674	480	389	-	20,076
At 31 December		5,356	49,090	27,554	462,916	51,593	12,143	8,585	11,562	628,799
Carrying amount at 31 December		81,718	95,660	91,232	426,459	22,673	7,093	12,024	36,830	773,689

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Plant, machinery, tools and equipment RM'000	Electrical installations, computer and office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation and store extension RM'000	Capital work in progress RM'000	Total RM'000
2013										
Cost										
At 1 January		44,275	137,829	22,043	636,092	60,760	11,891	13,844	36,723	963,457
Additions		34,112	291	58,048	81,098	6,192	1,912	956	23,445	206,054
Disposals		-	-	-	(1,737)	(140)	(215)	(184)	(1,769)	(4,045)
Write-offs		-	(30)	-	(513)	(2,619)	(9)	(549)	(4,232)	(7,952)
Transfer from inventories		-	-	-	8,859	-	-	-	-	8,859
Reclassifications		1,326	590	-	13,731	6,592	-	-	(22,239)	-
Acquisition of subsidiaries/assets	43(b)	1,150	15,005	9,242	39,612	313	3,406	34	-	68,762
Effect of exchange rate changes		34	1,703	3,837	26,312	1,684	477	553	545	35,145
At 31 December		80,897	155,388	93,170	803,454	72,782	17,462	14,654	32,473	1,270,280
Accumulated depreciation and impairment loss										
At 1 January		3,930	38,575	14,819	329,759	46,387	8,155	5,638	17,410	464,673
Depreciation charge for the financial year		715	4,180	2,049	40,733	5,384	1,626	1,555	-	56,242
Disposals		-	-	-	(1,485)	(139)	(215)	(124)	(1,769)	(3,732)
Write-offs		-	(30)	-	(392)	(2,638)	(8)	(545)	(4,232)	(7,845)
Effect of exchange rate changes		-	1,173	589	12,610	1,394	185	201	153	16,305
At 31 December		4,645	43,898	17,457	381,225	50,388	9,743	6,725	11,562	525,643
Carrying amount at 31 December		76,252	111,490	75,713	422,229	22,394	7,719	7,929	20,911	744,637

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land and building RM'000	Computer and equipment RM'000	Renovations, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Company						
2014						
Cost						
At 1 January		4,025	633	719	1,108	6,485
Additions		-	77	167	-	244
Disposals		-	-	(13)	-	(13)
Write-offs		-	(21)	-	-	(21)
Transfer from investment properties	7	2,175	-	-	-	2,175
At 31 December		6,200	689	873	1,108	8,870
Accumulated depreciation						
At 1 January		52	554	464	349	1,419
Depreciation charge for the financial year		75	64	62	220	421
Disposals		-	-	(13)	-	(13)
Write-offs		-	(21)	-	-	(21)
Transfer from investment properties	7	22	-	-	-	22
At 31 December		149	597	513	569	1,828
Carrying amount at 31 December		6,051	92	360	539	7,042

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land and building RM'000	Computer and equipment RM'000	Renovations, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Company					
2013					
Cost					
At 1 January	4,025	578	697	1,108	6,408
Additions	-	55	22	-	77
At 31 December	4,025	633	719	1,108	6,485
Accumulated depreciation					
At 1 January	8	487	411	127	1,033
Depreciation charge for the financial year	44	67	53	222	386
At 31 December	52	554	464	349	1,419
Carrying amount at 31 December	3,973	79	255	759	5,066

Assets pledged to financial institutions

There were no items of property, plant and equipment of the Group and the Company that were pledged to financial institutions as at 31 December 2014 (2013: Nil).

5 PREPAID LEASE PAYMENTS

	Note	Unexpired period less than 50 years RM'000	Unexpired period 50 years and above RM'000	Total RM'000
Group				
2014				
Cost				
At 1 January		**18,282**	**172,411**	**190,693**
Transfer from property, plant and equipment	4	**-**	**13,031**	**13,031**
Effect of exchange rate changes		**-**	**5,279**	**5,279**
At 31 December		**18,282**	**190,721**	**209,003**
Accumulated amortisation				
At 1 January		**4,924**	**7,579**	**12,503**
Amortisation for the financial year		**418**	**2,604**	**3,022**
Transfer from property, plant and equipment	4	**-**	**421**	**421**
Effect of exchange rate changes		**-**	**193**	**193**
At 31 December		**5,342**	**10,797**	**16,139**
Carrying amount at 31 December		**12,940**	**179,924**	**192,864**
2013				
Cost				
At 1 January		18,282	88,616	106,898
Acquisition of assets	43(b)	-	78,396	78,396
Effect of exchange rate changes		-	5,399	5,399
At 31 December		18,282	172,411	190,693
Accumulated amortisation				
At 1 January		4,506	5,285	9,791
Amortisation for the financial year		418	2,239	2,657
Effect of exchange rate changes		-	55	55
At 31 December		4,924	7,579	12,503
Carrying amount at 31 Dec ember		13,358	164,832	178,190

5 PREPAID LEASE PAYMENTS (CONTINUED)

The title deeds to certain leasehold land of the Group stated at a total carrying amount of approximately RM41,330,700 (2013: RM41,330,600) have yet to be issued by the relevant authorities.

Included in prepaid lease payments at the financial year end is the concession right to cultivate oil palm and oil palm related activities on an approximately 470,000 hectares demarcated land that lies between province of Cuvetta and Sangha which is carried at approximately RM86,002,600 (2013: RM82,433,200).

This concession agreement was entered between Atama Plantation Sarl, a subsidiary of the Group, and the Government of the Republic of Congo, principally for the establishment of the cultivation of oil palm crops and oil palm related development activities on 18 May 2009. The concession has a term of 30 years and may be extended for another 30 years at the request of Atama Plantation Sarl.

The concession right has an unamortised lease period of 54 (2013: 55) years as at financial year end.

6 BIOLOGICAL ASSETS

		Group	
		2014	2013
	Note	RM'000	RM'000
At 1 January		**17,738**	-
Acquisition of assets (Note 43(b))		**-**	6,554
Additions		**2,735**	9,944
Write-offs		**(356)**	-
Transfer to property, plant and equipment	4	**(250)**	-
Effect of exchange rate changes		**(1,122)**	1,240
At 31 December		**18,745**	17,738

Biological assets, include expenditure incurred on land clearing, planting, fertilising and other associated costs incurred to upkeep of the crops to maturity are capitalised at cost as biological assets carrying amount. On maturity, the matured plantations are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. In general, oil palm tree are considered mature by 36 months after the initial field planting. Point-of-sale costs include all costs that would be necessary to sell the assets.

Improvements costs for cultivating oil palm plantations and oil palm related activities and its ancillary development are capitalised at cost less accumulated amortisation and any accumulated impairment losses.

As at 31 December 2014, the Group has 571 (2013: 500) hectares of oil palm plantations and there was no palm tree that has been matured.

7 INVESTMENT PROPERTIES

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Cost					
At 1 January		**13,822**	13,697	**22,575**	22,575
Additions		**2,450**	125	**-**	-
Transfer to property, plant and equipment	4	**(2,175)**	-	**(2,175)**	-
At 31 December		**14,097**	13,822	**20,400**	22,575
Less: Accumulated depreciation and impairment loss					
At 1 January		**2,657**	2,444	**291**	42
Depreciation charge for the financial year		**365**	384	**219**	249
Reversal of impairment loss		**-**	(171)	**-**	-
Transfer to property, plant and equipment	4	**(22)**	-	**(22)**	-
At 31 December		**3,000**	2,657	**488**	291
Carrying amount		**11,097**	11,165	**19,912**	22,284
Fair value		**43,977**	39,069	**28,974**	27,256

Fair value of investment properties is categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2014				
Land	**-**	**-**	**6,724**	**6,724**
Buildings	**-**	**-**	**37,253**	**37,253**
	-	**-**	**43,977**	**43,977**
2013				
Land	-	-	5,538	5,538
Buildings	-	-	33,531	33,531
	-	-	39,069	39,069

7 INVESTMENT PROPERTIES (CONTINUED)

Fair value of investment properties is categorised as follows (continued):

				Company
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
2014				
Buildings	**-**	**-**	**28,974**	**28,974**
2013				
Buildings	-	-	27,256	27,256

On 27 June 2011, certain properties were valued by Jordan Lee & Jaafar, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the comparison method of valuation. During the financial year, the Group and the Company carried out a review and noted there was no significant change to the fair value of these properties since the last valuation.

Level 1 fair value is derived from quoted price in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value is estimated using inputs other than quoted price included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 3 fair value is estimated using unobservable inputs for the investment properties. The unobservable input relates to the price per square feet. The fair value of investment properties were estimated based on valuation by independent professionally qualified valuers using the comparison method.

8 INVESTMENT IN SUBSIDIARIES

		Company
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost	**773,420**	785,056
Accumulated impairment losses	**(126,526)**	(125,886)
	646,894	659,170
Advances to subsidiaries, deemed as net investment	**32,393**	32,393
	679,287	691,563

Advances to subsidiaries for long term working capital purposes represent an extension of capital to the subsidiaries and are such deemed to be net investment.

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows:

		Group's effective interest		Country of	
		2014	**2013**	**incorporation**	**Principal activities**
		%	%		
	Wasco Energy Ltd.	**100**	100	Bermuda	Investment holding
	Wasco Management Services Sdn. Bhd.	**100**	100	Malaysia	Provision of management support services
#	Wasco Capital Pte. Limited	**100**	100	Singapore	Investment holding
*	Wasco (Australia) Pty. Ltd.	**60**	60^	Australia	Provision of construction services for the oil and gas industry
#	Wasco Coatings Limited	**100**	100	Hong Kong, SAR	Investment holding
*	Wasco Coatings UK Ltd.	**100**	100	England and Wales	Dormant
*	Wasco Management Services S.R.L.	**100*****	-	Italy	Dormant
#	Wasco Coatings Singapore Pte. Ltd.	**100**	100	Singapore	Investment holding
*	Turn Key Pipeline Services B.V.	**100&&**	-	The Netherlands	Provision of engineering design, construction, installation services and supply of equipment for pipe coating plant and facilities for the oil and gas industry
*	Wasco Coatings Europe B.V.	**100**	100	The Netherlands	Dormant
	Wasco Coatings Services Sdn. Bhd.	**100**	100	Malaysia	Provision of pipe coating and related services to the oil and gas industry
#	Wasco Coatings Norway AS	**100**	100¥	Norway	Provision of pipe coating and related services to the oil and gas industry
	PPSC Industrial Holdings Sdn. Bhd.	**100**	100	Malaysia	Investment holding
	Wasco Resources Sdn. Bhd.	**100**	100	Malaysia	Property investment holding
	Wasco Coatings Malaysia Sdn. Bhd.	**70**	70	Malaysia	Coating of pipes for the oil and gas industry
	Wasco Coatings Insulation Sdn. Bhd.	**70**	70	Malaysia	Coating of pipes for the oil and gas industry
	PPSC (Malaysia) Sdn. Bhd.	**-**	-&	Malaysia	Dormant (In Member's Voluntary Winding up)
#	Wasco Coatings HK Limited	**100**	100	Hong Kong, SAR	Investment holding, marketing and provision of pipe coating and related services to the oil and gas industry
	Wasco Coatings Labuan Limited	**-**	-&	Federal Territory of Labuan, Malaysia	Investment holding (In Member's Voluntary Winding Up)
	Wasco Kanssen Limited	**100**	100	British Virgin Islands	Investment holding and provision of pipe coating services
~	Kanssen (Yadong) International Pipe Coating Services Limited	**100**	100	British Virgin Islands	Provision of pipe coating services and investment holding
~	Yadong Anti-Corrosion (Int) Company Limited	**100**	100	British Virgin Islands	Investment holding
*	Jingzhou Wasco Kanssen Offshore Petroleum Engineering Co., Ltd.	**100**	100	People's Republic of China	Provision of pipe coating services

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

		Group's effective interest 2014	Group's effective interest 2013	Country of incorporation	Principal activities
		%	%		
*	Shashi Kanssen (Yadong) Coating Services Company Limited	**-^^**	100	People's Republic of China	Dormant (In Members' Voluntary Winding Up)
*	Kanssen (Yadong) Coating Services (Jingzhou) Company Limited	**100**	100	People's Republic of China	Provision of pipe coating services
*	PPSC China Limited	**100**	100	Hong Kong, SAR	Investment holding
	Wasco Oil Technologies Sdn. Bhd.	**100**	100	Malaysia	Investment holding and provision of management services
	Wasco Oilfield Services Sdn. Bhd.	**49^{π}**	49^{π}	Malaysia	Agent and representative for the supply of equipment and the provision of related services to the oil drilling and production industry
	Wasco Corrosion Services Sdn. Bhd.	**63**	63	Malaysia	Supply and installation of sacrificial anodes, provision of cathodic protection services and equipment, corrosion protection services, passive fire protection services, special paint coating services and provision of technical training services
	Wasco Lindung Sdn. Bhd.	**48^{π}**	48^{π}	Malaysia	Manufacture, supply and installation of sacrificial anodes, provision of cathodic protection services and equipment, corrosion protection services, passive fire protection services and special paint coating services
	PT. MPE Deepwater	**-@**	-@	Indonesia	Dormant (In Members' Voluntary Liquidation)
	Asiana Emas Sdn. Bhd.	**100**	100	Malaysia	Investment holding
	Petro-Pipe (Sabah) Sdn. Bhd.	**60**	60	Malaysia	Manufacturing and sales of spiral welded pipes for the oil and gas industry
	Wasco Engineering Group Limited	**100**	100	British Virgin Islands	Investment holding
#	Wasco Engineering International Ltd.	**100**	100	British Virgin Islands	Leasing compressors and designing, engineering and fabrication of oil and gas processing and compression systems and equipment
*	PT. Gas Services Indonesia	**100**	100	Indonesia	Consulting services, rental, repair and maintenance of natural gas industry equipment
#	Wasco Engineering Services Singapore Pte. Ltd.	**100**	100	Singapore	Design, engineering and fabrication of oil and gas processing and compression systems and equipment
*	Wasco Engineering Australia Pty. Ltd.	**100**	100	Australia	Dormant
#	Wasco Engineering Equipment Pte. Ltd.	**100**	100	Singapore	Leasing of equipment and provision of operation and maintenance, and other related services to the oil and gas industry

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

		Group's effective interest		Country of	
		2014	2013	incorporation	Principal activities
		%	%		
*	Mackenzie Hydrocarbons (Australia) Pty. Ltd.	**100**	100	Australia	Provision of engineering consultancy and fabrication services
#	Wasco Engineering Technologies Pte. Ltd.	**92**	92	Singapore	Engineering and fabrication of oil and gas systems and equipment.
#	PT. Wasco Engineering Indonesia	**87**	87	Indonesia	Provision of engineering, design, fabrication and construction services for oil and gas industry
#	WSM Oil & Gas Services Limited	**80**	80	Hong Kong, SAR	Dormant
~	Excel Tradition Limited	**100**	100	British Virgin Islands	Dormant
	Gas Services International (M) Sdn. Bhd.	**-**[a]	70	Malaysia	Dormant (In Members' Voluntary Winding Up)
	Wasco Engineering & Technology Inc.	**65**	65	British Virgin Islands	Investment holding and provision of engineering works and services
#	Wasco E&P Services Limited	**100**	100	Hong Kong, SAR	Investment holding
#	WSN Investments Limited	**100**	100	Hong Kong, SAR	Investment holding
*	LTT Oil & Gas Nigeria Limited	**100**	100	Nigeria	Provision of engineering consultancy, product and related services to the oil and gas industry
#	Wasco China International Limited	**100**	100	Hong Kong, SAR	Investment holding, marketing and provision of services related to the oil and gas industry
*	Ashburn International, Inc.	**100**	100	United States of America	International consulting and trading business
*	Ashburn International Trade (Tianjin) Co. Ltd.	**65**	65	People's Republic of China	International trade, processing and assembling, storage of bonded goods and development of high technological products and consultancy services
*	Ashburn Offshore Oil & Gas Equipment & Engineering (Tianjin) Co. Ltd.	**65**	65[+++]	People's Republic of China	Design and manufacturing of products to the oil and gas industry
	Jutasama Sdn. Bhd.	**100**	100	Malaysia	Contracting of industrial engineering projects
	Mackenzie Industries Sdn. Bhd.	**60**	60	Malaysia	Undertaking of steam boilers and energy system projects
	Jutasama Jaya Sdn. Bhd.	**100**	100	Malaysia	Dormant
#	Jutasama International Limited	**100**	100	Hong Kong, SAR	Dormant
	PMT Energy (Labuan) Ltd.	**100**[β]	-	Federal Territory of Labuan, Malaysia	Investment holding
	PMT Energy Sdn. Bhd.	**100**[β]	-	Malaysia	Project management for biomass power plant
	P.M.T.I. Energy (Cambodia) Co. Ltd.	**75**[β]	-	Kingdom of Cambodia	Dormant
	PMT Industries Sdn. Bhd.	**100**[×]	100	Malaysia	Manufacturing and supplying of spare parts, equipment and provision of maintenance services for oil palm and other agricultural industries

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

		Group's effective interest		Country of	
		2014	2013	incorporation	Principal activities
		%	%		
#	PMT Industries (HK) Limited	100[×]	100	Hong Kong, SAR	Dormant
	PMT Industries (Labuan) Ltd.	100[×]	100	Federal Territory of Labuan, Malaysia	Supply of equipment for power, oil palm and other agricultural industries
	PMT-Phoenix Industries Sdn. Bhd.	83[×]	83	Malaysia	Dormant
	PMT-Dong Yuan Industries Sdn. Bhd.	100[×]	100	Malaysia	Fabrication, assembly and supply of machinery and equipment to oil palm industry
*	PT. PMT Industri	100[×]	100	Indonesia	Supply of spare parts, equipment, provision of maintenance services and engineering consultation for oil palm and other agricultural industries
*	PT. PMT Phoenix Industries	60[×]	60	Indonesia	Manufacturing of industrial fans component parts and other related services
	Wah Seong Industrial Holdings Sdn. Bhd.	100	100	Malaysia	Investment holding
	Syn Tai Hung Corporation Sdn. Bhd.	100	100	Malaysia	Dormant
	WSC Capital Sdn. Bhd. (formerly known as PPSC Property Sdn. Bhd.)	100	100	Malaysia	Dormant
	Wah Seong Ventures Sdn. Bhd.	100	100	Malaysia	Investment holding
	E-Green Technology Sdn. Bhd.	100	100[∞∞]	Malaysia	Dormant
	Petro-Pipe Industrial Corporation Sdn. Bhd.	100	100	Malaysia	Investment holding
	Petro-Pipe Industries (M) Sdn. Bhd.	100	100	Malaysia	Manufacturing and sales of welded steel pipes and related products
	PPI Industries Sdn. Bhd.	100	100	Malaysia	Manufacturing and sales of welded steel pipes and related products
	Syn Tai Hung Trading Sdn. Bhd.	100	100	Malaysia	Trading and distribution of building materials
	STH Sri Bulatan Sdn. Bhd.	100	100	Malaysia	Dormant
	Stellar Marketing Sdn. Bhd.	100	100	Malaysia	Dormant
	Petro-Pipe Engineering Services Sdn. Bhd.	100	100	Malaysia	Trading of machinery and spare parts and provision of technical and engineering services
	Spirolite (M) Sendirian Berhad	100	100[##]	Malaysia	Manufacturing and trading of spiral pipes, straight pipes, tubes, tanks and containers
	Advanced Piping Systems Sdn. Bhd.	100	100[##]	Malaysia	Manufacturing and trading of straight pipes and fittings
	Spirolite Marketing Sdn. Bhd.	100	100[##]	Malaysia	Trading of spiral pipes, straight pipes, tubes, tanks and containers
#	Wah Seong International Pte Limited	100	100	Hong Kong, SAR	Investment holding
*	WSIPL Australia Pty. Ltd	100	100	Australia	Dormant
	Maple Sunpark Sdn. Bhd.	100	100[@@]	Malaysia	Investment holding

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows (continued):

		Group's effective interest 2014	Group's effective interest 2013	Country of incorporation	Principal activities
		%	%		
	Triple Cash Sdn. Bhd.	**79**	79	Malaysia	Investment and property holding
	Sunrise Green Sdn. Bhd.	**71****	40	Malaysia	Investment and property holding
	Peakvest Sdn. Bhd.	**100**	100	Malaysia	Letting of properties
#	WS Agro Industries Pte. Ltd.	**100**	100	Singapore	Investment holding
#	Atama Resources Inc.	**51**	51ø	Republic of Mauritius	Investment holding
#	Atama Plantation SARL	**51**	51ø	Republic of Congo	Business of agricultural development, cultivation of oil palm and other crops and its related activities
	Signet Plus Sdn. Bhd.	**51**	51ø	Malaysia	Provision of management services of its related companies
#	Agro Commodities Inc.	**51**	51ø	Republic of Mauritius	Trading of commodities and provision of services
#	Atama Forest SARL	**51**	51ø	Republic of Congo	Dormant
	WSC Capital (Labuan) Limited	**100**	100++	Federal Territory of Labuan, Malaysia	Investment holding

* Audited by a firm other than member firms of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers Malaysia.

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

~ Companies not required by their local laws to appoint statutory auditors.

^^ On 29 December 2014, Shashi Kanssen (Yadong) Coating Services Company Limited, an indirect wholly-owned subsidiary of the Company, completed its Member's Voluntary Winding Up via approval granted by the Industry and Commerce of Jingzhou, the People's Republic of China.

*** On 27 November 2014, Wasco Coatings UK Ltd., an indirect wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary in Italy, namely Wasco Management Services S.R.L ("WMS SRL"), with an initial issued and paid-up share capital of Euro Dollar ("Euro") 25,000 (equivalent to approximately RM104,303) divided into 25,000 ordinary shares of Euro1.00 each, representing 100% of the initial issued and paid up share capital of WMS SRL, representing 100% of the initial issued and paid up share capital of WMS SRL.

a On 30 September 2014, Gas Services International (M) Sdn. Bhd. ("GSIM"), an indirect 70% owned subsidiary of the Company had at its Extraordinary General Meeting inter-alia, approved the special resolution to wind up GSIM by way of Members' Voluntary Winding Up.

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

&& On 31 July 2014, Wasco Coatings Singapore Pte Ltd., an indirect wholly-owned subsidiary of the Company, acquired 22,041 ordinary shares of Euro 1.00 each, representing 60% of the entire issued and paid-up share capital of Turn Key Pipeline Services B.V. ("TKPS"), for a total cash consideration of Euro1.00. Upon completion of the acquisition of TKPS shares,TKPS became an indirect wholly-owned subsidiary of the Company.

** On 14 May 2014, Triple Cash Sdn. Bhd. a 79% owned subsidiary of the Company acquired 390,000 ordinary shares of RM1.00 each and 2,769,000 redeemable preference shares of RM0.10 each, representing 39% equity interest in the issued and paid-up share capital of Sunrise Green Sdn. Bhd. ("SGSB"), for a total consideration of RM3,735,030. As a result, the indirect effective equity interest of the Group in SGSB has increased from 40% to 71%.

β On 12 March 2014, Jutasama Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 1,000 ordinary shares of USD1.00 each, representing 100% of the issued and paid-up share capital of PMT Energy (Labuan) Ltd ("PMTEL") for a total cash consideration of USD1,000 (or equivalent RM3,282). With effective on the same date, PMTEL and its subsidiaries, PMT Energy Sdn. Bhd. and PMTI Energy (Cambodia) Co. Ltd., became indirect subsidiaries of the Company, with effective equity interest of 100%, 100% and 75%, respectively.

x On 19 June 2014, the Company entered into a share sale Agreement with its wholly-owned subsidiary, Jutasama Sdn. Bhd. ("JSB") for the disposal of its 100% equity interest in PMT Industries Sdn. Bhd. ("PMTI") for a total consideration of RM125,000,000. As a result, PMTI and its subsidiaries namely, PMT Industries (HK) Limited, PT. PMT Industri, PMT-Phoenix Industries Sdn. Bhd., PMT-Dong Yuan Industries Sdn. Bhd., PMT Industries (Labuan) Ltd. and PT. PMT Phoenix Industries became indirect subsidiaries of the Company.

++ On 31 December 2013, the Company acquired 100% of the total issued and paid-up share capital comprising 100,000 ordinary shares of USD1.00 each in WSC Capital (Labuan) Limited, for a total cash consideration of USD1.00 from its wholly-owned subsidiary namely, Wasco Energy Ltd. There was no change to the effective equity interest of the Group.

& On 23 December 2013, PPSC (Malaysia) Sdn. Bhd. and Wasco Coatings Labuan Limited, indirect wholly-owned subsidiaries of the Company had at their respective Extraordinary General Meeting, inter-alia approved the special resolutions to wind up the both companies by way of Member's Voluntary Winding Up.

@@ On 8 November 2013, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Maple Sunpark Sdn. Bhd. ("MSSB") for a total cash consideration of RM2.00. As a result, MSSB became a wholly-owned subsidiary of the Company.

^ On 13 September 2013, Wasco Energy Ltd., a wholly-owned subsidiary of the Company completed the disposal of 40% of its equity interest in Wasco (Australia) Pty. Ltd. for a total consideration of AUD2,800 (equivalent to RM8,501) effectively reducing its direct interest in the Company to 60%. The effect of this transaction is disclosed in the consolidated statement of changes in equity.

∞∞ On 19 June 2013, Wah Seong Ventures Sdn. Bhd., an indirect subsidiary of the Company, acquired the remaining 8% equity interest in E-Green Technology Sdn. Bhd. ("E-Green"), upon which E-Green became a wholly-owned subsidiary of the Company.

+++ On 3 June 2013, Ashburn Offshore Oil & Gas Equipment & Engineering (Tianjin) Co. Ltd , an indirect subsidiary of the Company, issued and allotted 552,500 ordinary shares of USD1.00 each to Wasco China International Limited, a wholly-owned subsidiary of the Company. The allotment of shares is on proportional basis and there is no change in effective equity interest of the Group arising from this allotment.

¥ On 24 April 2013, an indirect wholly-owned subsidiary of the Company, Wasco Coatings Services Sdn. Bhd. had incorporated a wholly-owned subsidiary known as Wasco Coatings Norway AS ("WCN") in Norway. WCN has an initial issued and paid-up share capital of Norwegian Krone ("NOK")100,000 (equivalent to approximately RM51,795) divided into 100,000 ordinary shares of NOK1 each.

On 4 March 2013, the Group completed its acquisition of the remaining 51% equity interest in the total issued and paid-up share capital of Spirolite (M) Sendirian Berhad ("Spirolite"). Accordingly, Spirolite and its subsidiaries, Advanced Piping System Sdn. Bhd. and Spirolite Marketing Sdn. Bhd. became wholly-owned indirect subsidiaries from that date thereon (Refer Note 43(b)(i)).

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

ø On 31 January 2013, the Group subscribed an additional 16,000 shares in Atama Resources Inc. ("ARI") for a cash consideration of USD9,300,000 (equivalent to RM28,672,000). With the completion of this subscription, the Group's effective equity interest in ARI increased to 51%. Accordingly, ARI and its subsidiaries, namely Atama Plantation SARL, Signet Plus Sdn. Bhd., Agro Commodities Inc. and Atama Forest SARL became subsidiaries effective 31 January 2013 (Refer Note 43(b)(ii)).

@ On 7 March 2012, PT MPE Deepwater, indirect wholly-owned subsidiary of the Company had at its Extraordinary General Meeting, inter-alia, approved the special resolutions to wind up the company by way of Member's Voluntary Winding Up. As a result, the Directors did not have control over the subsidiary and as such it was not consolidated.

π Although the Company does not own more than 50% of the equity shares of Wasco Oilfield Services Sdn. Bhd. ("WOS") and Wasco Lindung Sdn. Bhd. ("WL"), and consequently it does not control more than half of the voting power of those shares, it has the power to appoint and remove the majority of the Board of Directors of WOS and WL and control of these entities is by the Company. Consequently, Wasco Oilfield Services Sdn. Bhd. and Wasco Lindung Sdn. Bhd. are controlled by the Company and is consolidated in these financial statements.

On 17 February 2015, PMT Industries Sdn. Bhd., an indirect wholly-owned subsidiary of the Company acquired the remaining 17% equity interest in PMT-Phoenix Industries Sdn. Bhd. ('PMTPI"). Upon completion of the acquisition, PMTPI became an indirect wholly-owned subsidiary of the Company.

On 21 April 2015, Syn Tai Hung (Cambodia) Co. Ltd ("Syn Tai Hung Cambodia") had been incorporated in Cambodia, with an initial issued and paid-up share capital of USD300,000 divided into 300,00 shares of USD1.00 each. Upon incorporation of Syn Tai Hung Cambodia, it became an 80% owned indirect subsidiary of the Company, held through its indirect wholly-owned subsidiaries, namely STH Sri Bulatan Sdn. Bhd. and Stellar Marketing Sdn. Bhd., with equity interests of 70% and 10%, respectively.

Non-controlling interests in subsidiaries

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

						Group
	Mackenzie Industries Sdn. Bhd.	**Atama Resources Inc. Group**	**Wasco Coatings Malaysia Sdn. Bhd.**	**Petro-Pipe (Sabah) Sdn. Bhd.**	**Other individually immaterial subsidiaries**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2014						
NCI percentage of ownership interest and voting interest	**40%**	**49%**	**30%**	**40%**		
Carrying amount of NCI	**12,017**	**65,576**	**107,901**	**4,412**	**3,400**	**193,306**
Total comprehensive income/(expense) allocated to NCI	**3,673**	**(13,918)**	**29,735**	**(6,966)**	**8,251**	**20,775**

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

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

	Group			
	Mackenzie Industries Sdn. Bhd. RM'000	Atama Resources Inc. Group RM'000	Wasco Coatings Malaysia Sdn. Bhd. RM'000	Petro-Pipe (Sabah) Sdn. Bhd. RM'000
2014 (continued)				
Summarised financial information before intra-group elimination				
As at 31 December				
Non-current assets	4,111	154,013	56,896	101,775
Non-current liabilities	-	(17,515)	-	-
Current assets	107,807	11,253	542,533	40,341
Current liabilities	(81,875)	(13,923)	(239,759)	(131,087)
Net assets	30,043	133,828	359,670	11,029
Financial year ended 31 December				
Revenue	113,429	-	519,547	36,098
Net profit or loss	9,182	(19,653)	120,648	(16,879)
Other comprehensive loss	-	(8,751)	(21,533)	(537)
Total comprehensive income/(expense)	9,182	(28,404)	99,115	(17,416)
Cash flows used in operating activities	(2,218)	(4,455)	(8,237)	(11,566)
Cash flows from/(used in) investing activities	11,496	(2,262)	(20,562)	(1,240)
Cash flows (used in)/from financing activities	(6,911)	6,290	(37,133)	20,905
Net change in cash and cash equivalents	2,367	(427)	(65,932)	8,099
Dividends paid/payable to NCI	1,453	-	3,827	-

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

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

	Group					
	Mackenzie Industries Sdn. Bhd. RM'000	Atama Resources Inc. Group RM'000	Wasco Coatings Malaysia Sdn. Bhd. RM'000	Petro-Pipe (Sabah) Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2013						
NCI percentage of ownership interest and voting interest	40%	49%	30%	40%		
Carrying amount of NCI	9,798	67,633	75,011	10,749	9,148	172,339
Total comprehensive income/(expense) allocated to NCI	3,632	(3,286)	8,884	(5,684)	1,539	5,085
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets	3,469	159,628	60,930	110,053		
Current assets	64,774	15,367	478,089	22,892		
Current liabilities	(43,749)	(36,965)	(288,980)	(106,076)		
Net assets	24,494	138,030	250,039	26,869		
Financial year ended 31 December						
Revenue	87,439	-	250,060	51,536		
Net profit or loss	9,081	(16,954)	29,918	(14,211)		
Other comprehensive income	-	10,248	-	-		
Total comprehensive income/(expense)	9,081	(6,706)	29,918	(14,211)		

8 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

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

	Group			
	Mackenzie Industries Sdn. Bhd. RM'000	Atama Resources Inc. Group RM'000	Wasco Coatings Malaysia Sdn. Bhd. RM'000	Petro-Pipe (Sabah) Sdn. Bhd. RM'000
Financial year ended 31 December (continued)				
Cash flows from/(used in) operating activities	7,519	59	124,249	(17,570)
Cash flows used in investing activities	(500)	(13,160)	(44,083)	(290)
Cash flows (used in)/from financing activities	(2,665)	10,178	(37,191)	16,539
Net change in cash and cash equivalents	4,354	(2,923)	42,975	(1,321)
Dividends paid/payable to NCI	-	-	1,961	-

9 INVESTMENT IN ASSOCIATES

	Group	
	2014 RM'000	2013 RM'000
Quoted shares in Malaysia	**146,133**	137,472
Unquoted shares	**7,436**	11,337
Share of post-acquisition results and reserves	**10,654**	3,469
	164,223	152,278
Less: Accumulated impairment loss	**-**	(4,499)
	164,223	147,779
Share of net assets of associates	**164,223**	147,779
Quoted shares in Malaysia at fair value	**149,731**	186,082

On 4 April 2013, Wasco Energy Ltd. ("WEL") subscribed for 28,850,000 number of new shares allocated to WEL pursuant to the Renounceable Rights Issue of up to 107,250,000 new ordinary shares of RM0.50 in Petra Energy Berhad ("PEB") at an issue price of RM1.15 per new share for every two (2) existing ordinary shares of RM0.50 each held in PEB on 13 March 2013. Total consideration paid amounted to approximately RM33,177,500.

As at 31 December 2014 and 31 December 2013, the fair value of the Group's interest in PEB is based on level 1 of the fair value hierarchy.

9 INVESTMENT IN ASSOCIATES (CONTINUED)

Impairment of investment in an associate

The movements for allowance for impairment loss on investment in associates during the financial year are as follows:

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	**4,499**	4,248
Disposal of associate	**(4,627)**	-
Effect of exchange rate changes	**128**	251
At 31 December	**-**	4,499

Details of associates are as follows:

	Country of incorporation	Group's effective interest 2014	Group's effective interest 2013	Principal activities
		%	%	
Petra Energy Berhad	Malaysia	**27**	27	Investment holding
Turn Key Pipeline Services B.V.	The Netherlands	**-@**	40	Provision of engineering design, construction, installation services and supply of equipment for pipe coating plant and facilities for the oil and gas industry
TOT Inspection Sdn. Bhd.	Malaysia	**-^**	45	Dormant (In Members' Voluntary Winding Up)
Syarikat Beka Sdn. Bhd.	Malaysia	**48**	48	Dormant
Wah Seong Boustead Company Limited	Myanmar	**50**	50	Property development, trading and provision of auxiliary services
HICOM Petro-Pipes Sdn. Bhd.	Malaysia	**49**	49	Dormant

^ On 10 December 2014, TOT Inspection Sdn. Bhd. ("TOTI") had at its Extraordinary General Meeting, inter-alia, approved the special resolution to wind up TOTI by way of Members' Voluntary Winding Up.

@ On 31 July 2014, Wasco Coatings Singapore Pte. Ltd., an indirect wholly-owned subsidiary of the Company, acquired 22,041 ordinary shares of Euro 1.00 each, representing 60% of the entire issued and paid-up share capital of Turn Key Pipeline Services B.V. ("TKPS") for a total cash consideration of Euro1.00. Upon completion of the acquisition of TKPS shares, TKPS became a wholly-owned subsidiary of the Company. Refer to Note 8.

On 9 March 2015, Petro-Pipe Industries (M) Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, completed the disposal of 7,350,000 ordinary shares of RM1.00 each in the issued and paid-up share capital of Hicom Petro-Pipes Sdn. Bhd. ("HPP"), representing 49% equity interest in HPP for a total cash consideration of RM6,883,163. As a result of the disposal, HPP ceased to be an indirect associate of the Company.

9 INVESTMENT IN ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciles the information to the carrying amount of the Group's interest in the associates:

			Group
	Petra Energy Berhad Group	Other individually immaterial associates	Total
	RM'000	RM'000	RM'000
2014			
Summarised financial information			
As at 31 December			
Non-current assets	525,380		
Current assets	646,239		
Non-current liabilities	(209,023)		
Current liabilities	(370,438)		
Net assets	592,158		
Financial year ended 31 December			
Revenue	638,632		
Net profit/total comprehensive income	31,507		
Reconciliation of net assets to carrying amount			
As at 31 December			
Group's share of net assets	159,288	4,868	164,156
Goodwill	-	67	67
Carrying amount in statement of financial position	159,288	4,935	164,223
Group's share of results			
Financial year ended 31 December			
Group's share of profit and other comprehensive income/(loss)	7,587	(25)	7,562
Dividend received	880	-	880

9 INVESTMENT IN ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciles the information to the carrying amount of the Group's interest in the associates (continued):

	Group		
	Petra Energy Berhad Group	Other individually immaterial associates	Total
	RM'000	RM'000	RM'000
2013			
Summarised financial information			
As at 31 December			
Non-current assets	526,111		
Current assets	392,717		
Non-current liabilities	(134,933)		
Current liabilities	(283,439)		
Net assets	500,456		
Financial year ended 31 December			
Revenue	492,775		
Net profit/total comprehensive income	8,671		
Reconciliation of net assets to carrying amount			
As at 31 December			
Group's share of net assets	142,816	4,628	147,444
Goodwill	-	4,834	4,834
Less: Accumulated impairment loss	-	(4,499)	(4,499)
Carrying amount in statement of financial position	142,816	4,963	147,779
Group's share of results			
Financial year ended 31 December			
Group's share of profit and other comprehensive income	873	54	927
Dividend received	577	-	577

10 INVESTMENT IN JOINT VENTURES

	Group 2014 RM'000	Group 2013 RM'000
Unquoted shares	**159,297**	42,508
Share of post-acquisition results and reserves	**(14,751)**	(8,243)
	144,546	34,265
Less: Accumulated impairment loss	**(7,797)**	-
	136,749	34,265
Share of net assets of joint ventures	**136,749**	34,265

Impairment of investment in joint ventures

The movements for allowance for impairment loss on investment in joint ventures during the financial year are as follows:

	Group 2014 RM'000	Group 2013 RM'000
At 1 January	**-**	-
Impairment loss recognised	**7,286**	-
Effect of exchange rate changes	**511**	-
At 31 December	**7,797**	-

The details of joint ventures are as follows:

	Country of incorporation	Group's effective interest 2014	Group's effective interest 2013	Principal activities
		%	%	
Boustead Wah Seong Sdn. Bhd.	Malaysia	**50**	50^	Investment holding
Socotherm Shashi Pipe Coating Co. Ltd.	People's Republic of China	**50**	50	Provision of pipe coating services.
PetroChina Socotherm Jingzhou Coating Technology Co. Ltd.	People's Republic of China	**-****	38	Provision of pipe coating services (In Members' Voluntary Winding Up)
Socotherm PPSC Ningbo (Daxie) Pipe Coating Co. Limited	People's Republic of China	**50**	50	Marketing and provision of pipe coating services to the oil and gas industry
Sichuan Chuanshi Kanssen (Yadong) Coating Services Company Limited	People's Republic of China	**51**	51	Provision of pipe coating services

10 INVESTMENT IN JOINT VENTURES (CONTINUED)

The details of joint ventures are as follows (continued):

	Country of incorporation	Group's effective interest 2014	2013	Principal activities
		%	%	
Shaanxi Yadong Anti-Corrosion Company Limited	People's Republic of China	**55**	55	Provision of pipe coating services
Pesanan Dinamik Sdn. Bhd.	Malaysia	**51**	51	Dormant
WCU Corrosion Technologies Pte. Ltd.	Singapore	**51**	51	Dormant
Bayou Wasco Insulation, LLC	United States of America	**49**	49	Provision of thermal insulation coating services to pipes or pipelines
PMT SHINKO Turbine Sdn. Bhd.	Malaysia	**49**	49^^	Manufacturing turbines and any other related ancillary equipment, parts and spares
Wasco Engineering & Technology (Nantong) Co., Ltd.	People's Republic of China	**36**	36	Construction, building, repairing, installation of all types of offshore equipment and modules, platform and process modules, large modules, provision of engineering services including design, research and development, technical consultancy services, import and export material relating to the business
Alam-PE Holdings (L) Inc.	Federal Territory of Labuan, Malaysia	**49#**	-	Investment holding

\# On 8 October 2014, Wasco Energy Ltd. ("WEL"), a wholly-owned subsidiary of the Company, acquired 6,860,000 ordinary shares of USD1.00 each, representing 49% equity interest in Alam-PE Holdings (L) Inc. for a cash consideration of RM106,000,000. Refer to Note 43(a)(i).

** On 27 March 2014, PetroChina Socotherm Jingzhou Coating Technology Co. Ltd. completed its Members' Voluntary Winding Up via approval granted by the Industry and Commerce of Jingzhou, the People's Republic of China.

^ On 28 October 2013, the Group subscribed an additional 499,999 ordinary shares of RM1.00 each and 11,770,750 Redeemable Convertible Preference Shares of RM0.01 each and at a premium of RM0.99 each of Boustead Wah Seong Sdn. Bhd., for a cash consideration of RM12,271,000. The allotment of new shares was on proportionate basis hence there was no change to the effective equity interest of the Group.

^^ On 29 April 2013, PMT SHINKO Turbine Sdn. Bhd. ("PMT SHINKO") was newly incorporated with two ordinary shares of RM1.00 each, in accordance with the joint venture arrangement between PMT Industries Sdn. Bhd. ("PMTI"), a wholly-owned subsidiary of the Company and Shinko Ind. Ltd. ("Shinko"). The proposed authorised share capital of PMT SHINKO is amounting to RM5,000,000, comprising five million ordinary shares of RM1.00 each. The issued and paid-up share capital is amounting to RM1,000,000 comprising one million ordinary shares of RM1.00 each to be held in the proportions of 49% and 51% by PMTI and Shinko respectively. The subscription of 490,000 shares by PMTI and 510,000 shares by Shinko in the enlarged issued and paid-up share capital of PMT SHINKO has been completed and allotted on 18 April 2014.

10 INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table summarises the information of the Group's material joint ventures and reconciles the information to the carrying amount of the Group's interest in the joint ventures:

	Group				
	Alam-PE Holdings (L) Inc. RM'000	Bayou Wasco Insulation, LLC RM'000	Boustead Wah Seong Sdn. Bhd. RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
2014					
Summarised financial information					
As at 31 December					
Non-current assets	238,127	77,813	57,644		
Current assets	31,553	20,821	7,364		
Cash and cash equivalents	20,241	1,793	8,951		
Non-current liabilities	(34,143)	(75,516)	(7,084)		
Current liabilities	(42,440)	(17,171)	(16,445)		
Current financial liabilities (excluding trade and other payables and provisions)	-	-	(649)		
Financial year ended 31 December					
Net profit or loss	27,442	(9,220)	(760)		
Other comprehensive (expense)/income	(1,794)	(426)	1,484		
Total comprehensive income/(expense)	25,648	(9,646)	724		
Included in the total comprehensive income/(expense) are:					
Revenue	72,669	17,618	13,978		
Interest income	242	-	-		
Depreciation and amortisation	(11,516)	(1,988)	(5,346)		
Interest expense	(4,963)	(4,517)	(411)		

10 INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table summarises the information of the Group's material joint ventures and reconciles the information to the carrying amount of the Group's interest in the joint ventures (continued):

					Group
	Alam-PE Holdings (L) Inc.	Bayou Wasco Insulation, LLC	Boustead Wah Seong Sdn. Bhd.	Other individually immaterial joint ventures	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2014 (continued)					
Reconciliation of net assets to carrying amount					
As at 31 December					
Group's share of net assets	104,561	3,793	12,892	13,618	134,864
Goodwill	12,400	-	-	1,072	13,472
Less: Elimination of unrealised profits	-	(5,422)	-	-	(5,422)
Reclassification to other payables	-	1,629	-	-	1,629
Less: Accumulated impairment loss	-	-	-	(7,794)	(7,794)
Carrying amount in statement of financial position	116,961	-	12,892	6,896	136,749
Group's share of results					
Financial year ended 31 December					
Group's share of profit or loss	2,475	(4,517)	(1,235)	(3,630)	(6,907)
Group's share of other comprehensive (expense)/income	(164)	(209)	1,204	(2,862)	(2,031)
Group's share of total comprehensive income/(expense)	2,311	(4,726)	(31)	(6,492)	(8,938)
Dividend received	-	-	-	1,475	1,475

10 INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table summarises the information of the Group's material joint ventures and reconciles the information to the carrying amount of the Group's interest in the joint ventures (continued):

				Group
	Bayou Wasco Insulation, LLC	Boustead Wah Seong Sdn. Bhd.	Other individually immaterial joint ventures	Total
	RM'000	RM'000	RM'000	RM'000
2013				
Summarised financial information				
As at 31 December				
Non-current assets	71,986	61,604		
Current assets	376	5,066		
Cash and cash equivalents	2,821	5,338		
Non-current liabilities	-	(8,844)		
Current liabilities	(58,620)	(15,408)		
Current financial liabilities (excluding trade and other payables and provisions)	-	(1,106)		
Financial year ended 31 December				
Net loss or profit	(5,053)	1,303		
Other comprehensive (expense)/income	(139)	2,464		
Total comprehensive (expense)/income	(5,192)	3,767		
Included in the total comprehensive (expense)/ income are:				
Revenue	-	8,667		
Depreciation and amortisation	(354)	(2,517)		
Interest expense	(866)	-		

10 INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table summarises the information of the Group's material joint ventures and reconciles the information to the carrying amount of the Group's interest in the joint ventures (continued):

	Group			
	Bayou Wasco Insulation, LLC RM'000	Boustead Wah Seong Sdn. Bhd. RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
2013 (continued)				
Reconciliation of net assets to carrying amount				
As at 31 December				
Group's share of net assets	8,116	12,922	17,505	38,543
Goodwill	-	-	1,008	1,008
Less: Elimination of unrealised profits	(5,286)	-	-	(5,286)
Carrying amount in statement of financial position	2,830	12,922	18,513	34,265
Group's share of results				
Financial year ended 31 December				
Group's share of profit or loss	(2,476)	652	(1,178)	(3,002)
Group's share of other comprehensive (expense)/income	(70)	1,232	93	1,255
Group's share of total comprehensive (expense)/income	(2,546)	1,884	(1,085)	(1,747)
Dividend received	-	-	2,147	2,147

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Unquoted shares in Malaysia RM'000	Quoted shares in Malaysia RM'000	Total RM'000
Group			
2014			
At cost	**1,050**	**-**	**1,050**
At fair value	**-**	**13**	**13**
	1,050	**13**	**1,063**
Market value of quoted investments	**-**	**13**	**13**

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

	Unquoted shares in Malaysia RM'000	Quoted shares in Malaysia RM'000	Total RM'000
Group			
2013			
At cost	1,050	-	1,050
At fair value	-	22	22
	1,050	22	1,072
Market value of quoted investments	-	22	22

The Group's investment in unquoted shares do not have a quoted market price in an active market and a fair value cannot be reliably measured. As such, this investment is measured at cost instead of fair value.

12 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Contract/notional amount	Assets RM'000	Liabilities RM'000
Group			
2014			
Current			
Non-hedging derivatives			
Financial liabilities at fair value through profit or loss - Forward currency contracts	**USD39,387,412**	**-**	**(4,135)**
Financial assets at fair value through profit or loss - Interest rate cap	**USD35,000,000**	**1**	**-**
2013			
Current			
Non-hedging derivatives			
Financial assets/(liabilities) at fair value through profit or loss - Forward currency contracts	USD31,137,085	73	(938)
Non-current			
Non-hedging derivatives			
Financial assets at fair value through profit or loss - Interest rate caps	USD115,000,000	32	-

The Company did not hold any derivative financial instruments as at 31 December 2014 (2013: Nil).

12 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Non-hedging derivatives

The Group uses forward currency contracts and interest rate cap derivatives to manage some of the transaction exposures and limit its exposure to adverse fluctuation in foreign currency and interest rates respectively. These contracts are not designated as cash flow or fair value hedges.

Interest rate caps

The Group has entered into the following interest rate caps to limit its exposure from adverse fluctuations in interest rates of its borrowings.

	Notional amount USD'000	Strike rate (per annum)	Maturity date	Fair value RM'000
2014				
	35,000	**1.28%**	**16 December 2015**	**1**
2013				
	40,000	1.50%	29 December 2014	1
	40,000	0.94%	16 December 2014	3
	35,000	1.28%	16 December 2015	28
				32

The Group will receive interest at the end of each contractual period if the USD London Interbank Offered Rate ("LIBOR") exceeds the respective agreed strike rates. The floating interest rates will be repriced quarterly.

Forward currency contracts

The Group enters into foreign currency forward contracts to protect the Group and the Company from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Forward currency contracts are mainly used to hedge certain trade receivables denominated in United States Dollar and payables denominated in Singapore Dollar for which firm commitments existed at the reporting date, extending to December 2015 (2013: November 2014).

Gains or losses arising from fair value changes of its financial liabilities

During the financial year, the Group recognised a loss of RM3,155,000 (2013: RM1,341,000) respectively in the profit or loss arising from fair value changes of its derivative financial assets and liabilities. The method and assumptions applied in determining the fair value of derivatives are disclosed in Note 52.

13 GOODWILL

	Group	
	2014	2013
	RM'000	RM'000
Cost		
At 1 January	**114,633**	109,886
Acquisition of subsidiaries	**8,243**	-
Effect of exchange rate changes	**6,134**	4,747
At 31 December	**129,010**	114,633
Carrying amount at 31 December	**129,010**	114,633

Impairment testing of goodwill

Goodwill arising from business combination has been allocated to the Group's cash-generating-units ('CGU') identified according to operating divisions. The carrying amounts of goodwill allocated to the respective CGUs are as follows:

	Group	
	2014	2013
	RM'000	RM'000
Cash-generating units		
Specialised Pipe Coating and Corrosion Protection Services (CGU A)	**69,677**	58,496
EPC, Fabrication and Rental of Gas Compressors and Process Equipment (CGU B)	**58,732**	55,614
E&P Products and Services (CGU C)	**601**	523
	129,010	114,633

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a period of 5 years (2013: 5 years) based on past performance and their expectations of the market development.

13 GOODWILL (CONTINUED)

Value-in-use was determined by discounting the future cash flows generated from the CGUs based on the following key assumptions which were predicted that there will be no material changes in the Group's principal activities.

	2014		2013	
	Growth rate	**Pre-tax discount rate**	**Growth rate**	**Pre-tax discount rate**
CGU A	**3.8%**	**14.9%**	1.3%	12.5%
CGU B	**6.3%**	**15.2%**	15.0%	14.0%
CGU C	**4.1%**	**19.7%**	4.5%	18.8%

Other key assumptions used in calculating the value-in-use are described below, assuming there are no material changes in the principal activities of the Group.

(i) Growth rate

The revenue growth rate used for the cash flows in respect of year 2 to 5 is 3.8% to 6.3% (2013: 1.3% to 15.0%). Cash flows beyond this 5-year period used a zero growth rate. This is below the long term average growth rate for the industries in which the respective CGUs operates.

(ii) Discount rate

The discount rates used reflect the weighted average cost of capital of the Group with a premium representing the business risk of the respective CGUs.

14 OTHER INTANGIBLE ASSETS

	Trademark RM'000	Technical know-how RM'000	Intellectual property RM'000	Total RM'000
Group				
2014				
Cost				
At 1 January	-	112	3,456	3,568
Additions	48	-	-	48
Acquisition of subsidiaries	-	-	665	665
Written off	-	-	(678)	(678)
Effect of exchange rate changes	3	-	214	217
At 31 December	51	112	3,657	3,820
Less: Accumulated amortisation and impairment loss				
At 1 January	-	66	3,456	3,522
Amortisation for the financial year	-	22	-	22
Effect of exchange rate changes	-	-	201	201
At 31 December	-	88	3,657	3,745
Carrying amount at 31 December	51	24	-	75
2013				
Cost				
At 1 January	-	112	3,264	3,376
Effect of exchange rate changes	-	-	192	192
At 31 December	-	112	3,456	3,568
Less : Accumulated amortisation and impairment loss				
At 1 January	-	44	3,264	3,308
Amortisation for the financial year	-	22	-	22
Effect of exchange rate changes	-	-	192	192
At 31 December	-	66	3,456	3,522
Carrying amount at 31 December	-	46	-	46

14 OTHER INTANGIBLE ASSETS (CONTINUED)

Technical know-how has an unamortised useful life of 1 year (2013: 2 years). Trademark has an indefinite useful life. The intellectual property had been fully amortised in the previous financial year end.

The amortisation of technical know-how is included in "Administrative and general expenses" line item within profit or loss.

15 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred tax assets	**19,185**	10,437	**1,029**	1,029
Deferred tax liabilities	**(9,919)**	(9,916)	**-**	-
	9,266	521	**1,029**	1,029
At 1 January	**521**	4,001	**1,029**	1,029
Credited to/(charged to) profit or loss (Note 40):				
- Unused tax losses	**(1,678)**	358	**-**	-
- Property, plant and equipment	**662**	(1,914)	**-**	-
- Provisions and accruals	**8,439**	1,845	**-**	-
- Incentives	**(1,774)**	2,654	**-**	-
- Others	**900**	(3,265)	**-**	-
	6,549	(322)	**-**	-
Acquisition of subsidiaries	**1,699**	(3,334)	**-**	-
Effect of exchange rate changes	**497**	176	**-**	-
At 31 December	**9,266**	521	**1,029**	1,029

15 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Unused tax losses	**4,766**	4,745	**-**	-
- Property, plant and equipment	**453**	1,751	**-**	-
- Provisions and accruals	**17,801**	9,362	**1,029**	1,085
- Incentives	**2,060**	3,834	**-**	-
- Others	**867**	284	**-**	-
	25,947	19,976	**1,029**	1,085
Offsetting	**(6,762)**	(9,539)	**-**	(56)
Deferred tax assets (after offsetting)	**19,185**	10,437	**1,029**	1,029
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(15,025)**	(16,985)	**-**	(56)
- Others	**(1,656)**	(2,470)	**-**	-
	(16,681)	(19,455)	**-**	(56)
Offsetting	**6,762**	9,539	**-**	56
Deferred tax liabilities (after offsetting)	**(9,919)**	(9,916)	**-**	-

The Group did not recognise deferred tax assets arising from the following temporary differences of certain subsidiaries as it is not probable that future taxable profit will be available against which the deferred tax assets can be utilised in these subsidiaries.

	Group	
	2014 RM'000	2013 RM'000
Deductible temporary differences on:		
- Unused tax losses	**264,195**	190,430
- Unabsorbed capital allowances	**44,324**	29,215
- Others	**26,191**	24,827
	334,710	244,472
Deferred tax assets not recognised	**84,487**	60,410

16 LONG TERM DEPOSIT

	Group	
	2014 RM'000	2013 RM'000
Time deposit placed with licensed overseas bank	**33,093**	-

As at 31 December 2014 and 31 December 2013, the Group has no exposure to foreign currency risk for long term deposit.

The effective interest rate of long term deposit of the Group is as follows:

	Group	
	2014 % p.a.	2013 % p.a.
Time deposit	**3.40**	-

17 INVENTORIES

	Group	
	2014 RM'000	2013 RM'000
Raw materials	**114,921**	123,922
Work-in-progress	**29,566**	29,936
Manufactured and trading goods	**41,405**	35,528
Consumables	**12,516**	9,652
Goods in transit	**6,115**	6,149
	204,523	205,187

18 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2014	2013
	RM'000	RM'000
Aggregate costs incurred to date	**1,075,605**	717,758
Attributable profits recognised to date less recognised losses	**121,046**	86,148
	1,196,651	803,906
Less: Progress billings on contracts	**(1,114,232)**	(783,654)
	82,419	20,252
Represented by:		
Amounts due from customers on contracts	**133,834**	88,148
Amounts due to customers on contracts	**(51,415)**	(67,896)
	82,419	20,252
Retention sums on contracts (included within trade receivables)	**10,092**	5,780

19 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Gross trade receivables	**627,121**	446,792	**-**	-
Less: Allowance for impairment loss	**(30,644)**	(33,393)	**-**	-
	596,477	413,399	**-**	-
Other receivables, deposits and prepayments	**164,833**	97,419	**1,699**	1,868
Less: Allowance for impairment loss	**(10,414)**	(7,562)	**(15)**	(15)
	154,419	89,857	**1,684**	1,853
Total net receivables	**750,896**	503,256	**1,684**	1,853

19 TRADE AND OTHER RECEIVABLES (CONTINUED)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	Group	
	2014	2013
	RM'000	RM'000
Oil & gas	**344,593**	177,219
Renewable energy	**89,593**	58,155
Industrial trading & services	**147,627**	145,735
Plantations	**693**	1,543
Others	**13,971**	30,747
Total	**596,477**	413,399

Concentration of credit risk exists within the oil & gas segment which primarily trades with oil majors. However, the Group considers the risk of default by these oil majors to be negligible.

There is no concentration of credit risk within the Renewable Energy and Industrial Trading & Services segments as the balances are distributed over a large number of customers

Ageing analysis of trade receivables

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

	Gross trade receivables	Impairment loss	Net trade receivables
	RM'000	RM'000	RM'000
2014			
Not past due	**342,195**	**-**	**342,195**
1 to 30 days overdue	**179,079**	**-**	**179,079**
31 to 60 days overdue	**30,155**	**-**	**30,155**
61 to 90 days overdue	**14,388**	**-**	**14,388**
91 to 180 days overdue	**11,802**	**(142)**	**11,660**
181 to 365 days overdue	**14,961**	**(830)**	**14,131**
More than 365 days overdue	**34,541**	**(29,672)**	**4,869**
Total	**627,121**	**(30,644)**	**596,477**

19 TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing analysis of trade receivables (continued)

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

	Gross trade receivables RM'000	Impairment loss RM'000	Net trade receivables RM'000
2013			
Not past due	148,352	-	148,352
1 to 30 days overdue	144,668	-	144,668
31 to 60 days overdue	71,103	-	71,103
61 to 90 days overdue	10,978	-	10,978
91 to 180 days overdue	23,703	(1,108)	22,595
181 to 365 days overdue	12,729	(3,691)	9,038
More than 365 days overdue	35,259	(28,594)	6,665
Total	446,792	(33,393)	413,399

Receivables that are neither past due nor impaired

Trade and other receivables of the Group and the Company that are not impaired are in respect of creditworthy debtors with reliable payment records and have a low risk of default. Most of the Group's trade receivables arise from customers with more than 5 years of experience with the Group.

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

The movements in the allowance for impairment loss of trade receivables during the financial year are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	**33,393**	22,967
Impairment loss recognised	**3,780**	14,267
Impairment loss reversed	**(3,952)**	(1,397)
Impairment loss written off	**(2,673)**	(2,928)
Acquisition of subsidiaries	**-**	66
Effect of exchange rate changes	**96**	418
At 31 December	**30,644**	33,393

Trade receivables that are individually determined to be impaired at the reporting date relate to balances for which recoveries are doubtful. These receivables are not secured by any collateral.

19 TRADE AND OTHER RECEIVABLES (CONTINUED)

The movements in the Group and Company's allowance for impairment loss of other receivables during the financial year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	**7,562**	3,330	**15**	-
Impairment loss recognised	**2,712**	4,069	**-**	15
Effect of exchange rate changes	**140**	163	**-**	-
At 31 December	**10,414**	7,562	**15**	15

The Group's trade receivables exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the financial year, was:

	Group	
	2014 RM'000	2013 RM'000
Gross trade receivables		
- United States Dollar	**202,896**	47,516
- Norwegian Kroner	**19,364**	-
- Singapore Dollar	**1,478**	5,973
- Euro Dollar	**2,108**	1,114
- Japanese Yen	**1,117**	75
- Indian Rupee	**-**	615
- Others	**-**	99
	226,963	55,392

19 TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group's other receivables, deposits and prepayments exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the financial year, were:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Other receivables, deposits and prepayments		
- Norwegian Kroner	**68,335**	29,810
- United States Dollar	**13,070**	9,647
- Singapore Dollar	**2,618**	3,780
- Indonesian Rupiah	**1,752**	1,699
- Euro Dollar	**905**	7,793
- British Pound	**-**	6,130
- United Arab Emirates Dirham	**235**	142
- Central African CFA Franc	**-**	1,351
- Others	**45**	24
	86,960	60,376

Other receivables, deposits and prepayments of the Company are denominated in Ringgit Malaysia.

20 AMOUNTS OWING BY/(TO) SUBSIDIARIES

(a) Amounts owing by subsidiaries

	Company	
	2014	**2013**
	RM'000	**RM'000**
Interest bearing loans (unsecured)	**272,507**	116,120
Interest free advances (unsecured)	**5,689**	102,464
Dividends receivable	**29,274**	27,826
	307,470	246,410

The effective interest rate of interest bearing loans as at 31 December 2014 ranges between 1.50% to 4.25% (2013: 1.50% and 4.00%) per annum. The loans and advances are recoverable on demand.

20 AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONTINUED)

(a) Amounts owing by subsidiaries (continued)

The Company's amounts owing by subsidiaries exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the financial year, was:

	Company	
	2014 RM'000	2013 RM'000
- United States Dollar	**206,616**	162,707

(b) Amounts owing to subsidiaries

	Company	
	2014 RM'000	2013 RM'000
Interest bearing loans (unsecured)	**1,528**	38,100
Interest free advances (unsecured)	**-**	1,471
	1,528	39,571

The effective interest rate of interest bearing loans as at 31 December 2014 is 3.00% to 4.25% (2013: 3.00%) per annum. The loans and advances are repayable on demand.

As at 31 December 2014 and 31 December 2013, the Company has no exposure to foreign currency risk for the amounts owing to subsidiaries.

21 AMOUNTS OWING BY/(TO) ASSOCIATES

(a) Amounts owing by associates

	Group	
	2014 RM'000	2013 RM'000
Trade accounts	**142**	733
Advances	**1,838**	9,325
Less: Allowance for impairment loss	**(534)**	(2,686)
	1,446	7,372

21 AMOUNTS OWING BY/(TO) ASSOCIATES (CONTINUED)

(a) Amounts owing by associates (continued)

The movements in the allowance for impairment loss of amounts owing by associates during the financial year are as follows:

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	**2,686**	2,513
Impairment loss recognised	**47**	47
Impairment loss reversed	**(2,157)**	-
Effect of exchange rate changes	**(42)**	126
At 31 December	**534**	2,686

As at 31 December 2014 and 31 December 2013, the Group has no significant exposure to foreign currency risk for the amounts owing by associates except for amount of RM23,000 denominated in United States Dollar.

Trade accounts are unsecured, interest free and recoverable within the normal credit period. The advances are unsecured, interest free and recoverable on demand.

(b) Amount owing to associate

As at 31 December 2013, the Group's amount owing to an associate relate to an advance denominated in Euro Dollar, unsecured, interest free and repayable on demand.

22 AMOUNTS OWING BY/(TO) JOINT VENTURES

(a) Amounts owing by joint ventures

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade accounts	**6,446**	3,807	**-**	-
Interest bearing loan	**30,368**	23,551	**-**	-
Advances	**6,181**	5,665	**23**	16
Less: Allowance for impairment loss	**(592)**	(451)	**-**	-
	42,403	32,572	**23**	16

The Group's effective interest rate of interest bearing loans as at 31 December 2014 is 3.26% (2013: 3.26%) per annum. The loans and advances are repayable on demand.

22 AMOUNTS OWING BY/(TO) JOINT VENTURES (CONTINUED)

(a) Amounts owing by joint ventures (continued)

The movements in the allowance for impairment loss on the Group's amounts owing by joint ventures during the financial year are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	**451**	424
Impairment loss recognised	**120**	9
Effect of exchange rate changes	**21**	18
At 31 December	**592**	451

The Group's amounts owing by joint ventures exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the financial year, was:

	Group	
	2014 RM'000	2013 RM'000
- United States Dollar	**30,373**	23,551
- China Renminbi	**5,396**	4,258
- Euro Dollar	**5,382**	3,716
	41,151	31,525

Advances made to joint ventures are unsecured, interest free and are recoverable on demand.

The Company's amount owing by a joint venture relates to an advance which is unsecured, interest free and recoverable on demand. As at 31 December 2014 and 31 December 2013, the Company has no exposure to foreign currency risk for the amount owing by joint ventures.

(b) Amount owing to a joint venture

The Group's amount owing to a joint venture relates to an advance denominated in Ringgit Malaysia, unsecured, interest free and repayable on demand.

23 TIME DEPOSITS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Time deposits placed with:				
- licensed banks in Malaysia	**37,661**	108,525	**4,036**	4,423
- licensed financial institution in Malaysia	**46,475**	21,039	**30,276**	15,539
- licensed overseas banks	**11,435**	47,228	**-**	-
	95,571	176,792	**34,312**	19,962

The Group's and the Company's time deposits exposure to foreign currency (a currency which is other than the functional currency of the Group entities and the Company) risk, based on carrying amounts as at the end of the financial year, was:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
- United States Dollar	**703**	18,513	**-**	-
- Singapore Dollar	**-**	2	**-**	2
	703	18,515	**-**	2

The effective interest rates of time deposits of the Group and the Company are as follow:

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Time deposits	**0.29-5.00**	2.30-3.25	**0.29-3.05**	2.70-3.25

24 CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	**149,521**	204,285	**25,870**	6,457

The Group's and the Company's cash and bank balances exposure to foreign currency (a currency which is other than the functional currency of the Group entities and the Company) risk, based on carrying amounts as at the end of the financial year, was:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
- United States Dollar	**52,202**	32,632	**22,736**	4,412
- Singapore Dollar	**13,956**	6,085	**363**	427
- Norwegian Kroner	**4,038**	56,054	**-**	-
- Euro Dollar	**3,442**	3,322	**660**	839
- Japanese Yen	**1,287**	7,119	**1**	1
- British Pound	**465**	585	**13**	14
- Australian Dollar	**430**	311	**14**	14
- Indonesian Rupiah	**306**	311	**-**	-
- China Renminbi	**140**	-	**-**	-
- Others	**296**	198	**-**	-
	76,562	106,617	**23,787**	5,707

Cash and bank balances are deposits held at call with banks and earn no interest.

25 ASSETS CLASSIFIED AS HELD FOR SALE

(a) On 1 May 2014, the Company's wholly-owned subsidiary, Wasco Engineering Equipment Pte. Ltd. ("WEE") entered into a finance lease agreement on compressor units as a manufacturer lessor. The lease will commence upon completion of commissioning of the compressors, which is expected to take place within the next twelve months. Upon commencement of the lease, the compressors will be derecognised with the resulting gain or loss charged to the statement of comprehensive income.

Pursuant to MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the carrying amounts of the compressors have been classified as assets held for sale.

(b) On 26 January 2011 and 31 January 2011, the Company's wholly-owned indirect subsidiary, Yadong-Anti Corrosion (Int) Co. Ltd. ("YAC"), commenced the disposal of the shares and assets held in a joint venture company, Arabian Yadong Coating Co. Ltd. ("AYC") pursuant to two (2) separate Sale and Purchase Agreements dated 26 January 2011:

(i) to dispose YAC's 60,000 shares of Saudi Riyals 50.00 each (representing entire 50% equity interest) in AYC to Arabian Pipes Co., ("APC"), for a total consideration of USD2,552,000; and

(ii) to dispose the machinery and equipment for the external coating of steel pipes, including auxiliary equipment, industrial utilities, attachments, tooling, spare parts and as available, all designs and drawings, plans, manufacturing data, technical publications and other documents related thereto to APC, for a total consideration of USD900,000.

On 25 February 2015, the Group completed the disposal of the shares and the disposal of the machinery and equipment was completed in the financial year ended 31 December 2011.

Details of the assets classified as held for sale are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Property, plant and equipment	**26,885**	-
Investment in a joint venture	**4,488**	4,223
	31,373	4,223

26 SHARE CAPITAL

	Group and Company			
	2014		2013	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Authorised:				
Ordinary shares of RM0.50 each at 1 January/31 December	**2,000,000**	**1,000,000**	2,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each at 1 January/31 December	**774,887**	**387,444**	774,887	387,444

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

27 SHARE PREMIUM

	Group and Company	
	2014 RM'000	2013 RM'000
At 1 January	**160,246**	160,254
Warrants exercised and expiry of unexercised warrants	**-**	(8)
At 31 December	**160,246**	160,246

28 TREASURY SHARES

	Group and Company			
	2014		2013	
	Number of shares	Amount	Number of shares	Amount
	'000	RM'000	'000	RM'000
At 1 January	**5,270**	**8,893**	4,704	8,573
Shares repurchased	**3,446**	**6,046**	7,536	12,628
Share dividends distributed to owners of the Company	**(5,126)**	**(8,654)**	(6,970)	(12,308)
At 31 December	**3,590**	**6,285**	5,270	8,893

The shareholders of the Company had approved an ordinary resolution at the Fourteenth Annual General Meeting held on 20 June 2014 for the Company to purchase its own shares up to a maximum of 10% of the issued and paid-up capital of the Company. The Directors of the Company are committed to enhancing the value of the Company and believe that the purchase plan is being implemented in the best interest of the Company and its shareholders.

During the financial year, the Company purchased 3,446,000 (2013: 7,535,900) of its issued share capital from the open market on Bursa Malaysia for RM6,045,917 (2013: RM12,627,403). The prices paid for the shares purchased ranged from RM1.21 to RM1.98 (2013: RM1.58 to RM1.90) per share. The average price paid for the shares purchased during the financial year was approximately RM1.75 (2013: RM1.68) per share. The purchase transactions were financed by internally generated funds. Pursuant to the provisions of Section 67A of the Companies Act, 1965 (the "Act"), the Company may either retain the purchased shares as treasury shares or cancel the purchased shares or a combination of both. The purchased shares held as treasury shares may either be distributed as share dividends, resold on Bursa Malaysia in accordance with the relevant rules of Bursa Malaysia, subsequently cancelled or any combination of the three. As treasury shares, the rights attached as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

On 3 April 2014, 5,126,090 treasury shares were distributed to the shareholders on the basis of one (1) treasury share for every one hundred and fifty (150) existing Wah Seong Corporation Berhad ordinary shares of RM0.50 held at the entitlement date of 13 March 2014 as special single tier share dividend.

29 OTHER RESERVES

	Exchange translation reserves RM'000	Available-for-sale reserve RM'000
Group		
2014		
At 1 January	**11,705**	**16**
Fair value loss	**-**	**(9)**
Foreign currency translation differences for foreign operations	**7,778**	**-**
At 31 December	**19,483**	**7**
2013		
At 1 January	(1,561)	54
Fair value gain	-	2
Transfer to profit or loss upon disposal	-	(40)
Disposal of a subsidiary that did not result in a loss of control	51	-
Foreign currency translation differences for foreign operations	13,215	-
At 31 December	11,705	16

30 WARRANTS RESERVE

	Group and Company	
	2014 RM'000	**2013 RM'000**
At 1 January	**-**	25,786
Warrants exercised and expiry of unexercised warrants	**-**	(25,786)
At 31 December	**-**	-

The Warrants 2008/2013 were constituted by a Deed Poll dated 18 February 2008.

On 26 March 2008, the Company allotted the rights issue of 90,641,547 new ordinary shares at an issue price of RM2.23 per share ("Rights Shares"), together with 135,962,320 warrants to the holders of the ordinary shares and ICULS on the basis of:

a) two (2) Rights Shares and three (3) free detachable warrants for every twelve (12) existing ordinary shares held; and
b) two (2) Rights Shares and three (3) free detachable warrants for every six (6) existing ICULS held.

30 WARRANTS RESERVE (CONTINUED)

Each warrant entitled the registered holder to subscribe for one new ordinary share in the Company at any time on or after 26 March 2008 up to the date of expiry on 25 March 2013, at an exercise price of RM3.17 per share or such adjusted price in accordance with the provisions in the Deed Poll. The Warrants 2008/2013 was listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 28 March 2008.

On 25 March 2013, there were 500 warrants exercised to subscribe for new Wah Seong Corporation Berhad shares, 135,961,820 warrants which remained unexercised expired on 25 March 2013. These expired warrants were removed from the Official List of Bursa Malaysia Securities Berhad with effect from 26 March 2013.

31 RETAINED PROFITS

The Company has elected for the irrevocable option under the Finance Act, 2007 to disregard the Section 108 balance. As a result, the Company will be able to distribute dividends out of its entire retained earnings under the single tier system.

32 LOANS AND BORROWINGS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Unsecured:				
Term loan	**89,982**	84,485	**-**	-
Revolving credits	**641,224**	469,049	**255,712**	214,195
Trade financing	**148,257**	93,724	**-**	-
	879,463	647,258	**255,712**	214,195
Non-current				
Unsecured:				
Term loan	**104,752**	182,118	**-**	-
Fixed rate notes	**31,595**	-	**-**	-
	136,347	182,118	**-**	-
	1,015,810	829,376	**255,712**	214,195

32 LOANS AND BORROWINGS (CONTINUED)

The remaining maturities of the loans and borrowings are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Within 1 year	**879,463**	647,258	**255,712**	214,195
More than 1 year and less than 2 years	**65,701**	83,754	**-**	-
More than 2 years and less than 5 years	**70,646**	98,364	**-**	-
	1,015,810	829,376	**255,712**	214,195

As at 31 December 2014 and 31 December 2013, there were no secured loans and borrowings held by the Group.

The Group's and the Company's loans and borrowings exposure to foreign currency (a currency which is other than the functional currency of the Group entities and the Company) risk, based on carrying amounts as at the end of the financial year, was:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
United States Dollar	**312,029**	242,608	**255,712**	214,195

The effective interest rates of loans and borrowings of the Group are as follows:

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Revolving credits	**0.85 - 4.05**	0.88 - 3.75	**0.85 - 4.05**	0.88 - 3.75
Trade financing	**1.20 - 4.35**	1.20 - 3.86	**-**	-
Term loans	**2.73 - 2.76**	2.75 - 2.76	**-**	-
Fixed rate notes	**2.40**	-	**-**	-

32 LOANS AND BORROWINGS (CONTINUED)

The net exposure of loans and borrowings to cash flow risk and fair value risk in the periods in which they mature or reprice (whichever is earlier) are as follows:

	Total carrying amount	Fixed interest rate (Fair value risk)			Floating interest rate (Cash flow risk)		
		<1 year	1 - 2 years	2 – 3 years	<1 year	1 - 2 years	2 – 3 years
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014							
Group							
Unsecured							
Term loan	194,734	-	-	-	89,982	35,029	70,058
Revolving credits	641,224	-	-	-	641,224	-	-
Trade financing	148,257	-	-	-	148,257	-	-
Fixed rate notes	31,595	-	32,836	-	-	-	-
	1,015,810	-	32,836	-	879,463	35,029	70,058
Company							
Unsecured							
Revolving credits	255,712	-	-	-	255,712	-	-
	255,712	-	-	-	255,712	-	-

32 LOANS AND BORROWINGS (CONTINUED)

The net exposure of loans and borrowings to cash flow risk and fair value risk in the periods in which they mature or reprice (whichever is earlier) are as follows: (continued):

	Total carrying amount	Fixed interest rate (Fair value risk)			Floating interest rate (Cash flow risk)		
		<1 year	1 - 2 years	2 – 3 years	<1 year	1 - 2 years	2 – 3 years
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2013							
Group							
Unsecured							
Term loan	266,603	-	-	-	84,485	116,983	65,906
Revolving credits	469,049	-	-	-	469,049	-	-
Trade financing	93,724	-	-	-	93,724	-	-
	829,376	-	-	-	647,258	116,983	65,906
Company							
Unsecured							
Revolving credits	214,195	-	-	-	214,195	-	-
	214,195	-	-	-	214,195	-	-

33 TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables	**205,541**	171,441	**-**	-
Deferred revenue	**14,588**	43,997	**-**	-
Other payables and accruals	**299,679**	182,214	**10,261**	8,888
	519,808	397,652	**10,261**	8,888
Non-current				
Other liabilities	**3,739**	3,553	**-**	-
Deferred revenue	**346**	9,838	**-**	-
	4,085	13,391	**-**	-

Included within other payables is an accrual of RM12,000,000 (2013:Nil) in respect of management performance incentive plan following achievement of targets set for the financial year 2014. This is a five year plan that commenced in financial year 2012 and will end in financial year 2016. The plan has indepedent targets for each of the five years. No incentive payments were payable for financial years 2012 and 2013 as the targets for those years were not met.

The Group's trade payables exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the financial year, was:

	Group	
	2014	2013
	RM'000	RM'000
- Norwegian Kroner	**42,315**	12,516
- Singapore Dollar	**18,800**	16,361
- United States Dollar	**9,159**	10,614
- Euro Dollar	**5,149**	4,152
- United Arab Emirates Dirham	**3,069**	1,376
- Japanese Yen	**2,160**	2,834
- Indonesian Rupiah	**1,619**	347
- Ringgit Malaysia	**202**	443
- Australian Dollar	**347**	1,477
- Others	**258**	19
	83,078	50,139

33 TRADE AND OTHER PAYABLES (CONTINUED)

The Group's other payables exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the financial year, was:

	Group	
	2014	2013
	RM'000	RM'000
- Norwegian Kroner	**28,567**	3,715
- United States Dollar	**7,955**	2,770
- Euro Dollar	**3,437**	7,745
- Singapore Dollar	**1,968**	493
- Japanese Yen	**969**	-
- Ringgit Malaysia	**686**	844
- Indonesian Rupiah	**518**	812
- United Arab Emirates Dirham	**-**	259
- Others	**167**	24
	44,267	16,662

Other payables and accruals balances of the Company are denominated in Ringgit Malaysia.

34 PROVISION FOR WARRANTIES

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	**8,236**	10,526
Addition	**3,221**	6,649
Utilisation	**(360)**	(9,229)
Effect of exchange rate changes	**464**	290
At 31 December	**11,561**	8,236

The Group recognises the estimated liability to repair or replace products when the underlying products or services are sold. It is expected that most of these costs will be incurred over the warranty period which extends up to 4 years. Provision for warranties is calculated based on historical warranty data and specific circumstances related to products or services sold, after considering the various possible outcomes against their associated probabilities.

35 GROSS REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Contract revenue	**676,109**	513,688	**-**	-
Sale of goods	**880,803**	823,363	**-**	-
Provision of services	**800,603**	301,572	**-**	-
Engineering services	**7,977**	43,332	**-**	-
Rental income	**71,539**	96,493	**-**	-
Commission income	**1,589**	935	**-**	-
Dividend income	**-**	-	**55,531**	63,469
Interest income	**-**	-	**7,267**	3,190
Management fees	**-**	-	**6,318**	2,277
	2,438,620	1,779,383	**69,116**	68,936

36 COST OF SALES

	Group	
	2014	2013
	RM'000	RM'000
Contract costs	**548,300**	447,069
Cost of goods sold	**787,320**	754,691
Cost of provision of services	**566,745**	210,776
Cost of engineering services	**4,621**	28,046
Direct operating costs relating to rental income	**45,978**	65,672
	1,952,964	1,506,254

37 OTHER LOSSES - NET

	Group	
	2014	2013
	RM'000	RM'000
Fair value losses arising from fair value changes of derivative financial instruments:		
- Forward currency contracts	**(3,123)**	(1,309)
- Interest rate caps	**(32)**	(32)
	(3,155)	(1,341)

38 PROFIT FROM OPERATIONS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit from operations is stated after charging:				
Impairment loss on financial assets				
- trade receivables	**3,780**	14,267	**-**	-
- other receivables	**2,712**	4,069	**-**	15
Allowance for obsolete inventories	**980**	3,380	**-**	-
Staff costs (Note 46)	**292,824**	180,789	**11,659**	9,687
Directors' fees	**285**	285	**285**	285
Amortisation of other intangible assets	**22**	22	**-**	-
Amortisation of prepaid lease payments	**3,022**	2,657	**-**	-
Auditors' remuneration				
- current financial year	**2,869**	2,586	**100**	100
- fees for non-audit services*	**337**	726	**50**	129
Impairment loss on trade receivables written off	**2,673**	2,928	**-**	-
Depreciation of property, plant and equipment	**74,450**	56,242	**421**	386
Depreciation of investment properties	**365**	384	**219**	249
Impairment loss on property, plant and equipment	**14,548**	-	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**640**	900
Impairment loss on investment in joint ventures	**7,286**	-	**-**	-
Inventories written off	**230**	135	**-**	-
Loss on foreign currency exchange:				
- realised	**8,902**	12,860	**328**	-
- unrealised	**3,224**	5,325	**-**	7,705
Operating lease rental	**12,328**	11,296	**-**	-
Property, plant and equipment written off	**168**	107	**-**	-
Loss on disposal of property, plant and equipment	**78**	259	**-**	-
Written off				
- biological assets	**356**	-	**-**	-
- other intangible assets	**678**	-	**-**	-
Rental of equipment	**31,810**	23,202	**-**	-
Rental of premises	**25,834**	15,876	**212**	248
Impairment loss on amount owing by an associate	**47**	47	**-**	-
Impairment loss on amount owing by a joint venture	**120**	9	**-**	-
Provision for warranties	**3,221**	6,649	**-**	-

38 PROFIT FROM OPERATIONS (CONTINUED)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging (continued):				
and crediting:				
Reversal of impairment loss on trade and other receivables	**3,952**	1,397	**-**	-
Gain on disposal of property, plant and equipment	**236**	456	**-**	-
Gain on foreign exchange				
- realised	**11,437**	19,394	**-**	5,853
- unrealised	**13,597**	-	**211**	-
Bad debts recovered	**-**	824	**-**	-
Interest income from loans and receivables	**7,026**	7,718	**-**	-
Write back of allowance for obsolescence of inventories	**51**	66	**-**	-
Rental income	**1,370**	1,562	**1,247**	1,229
Gain on disposal of subsidiaries	**-**	-	**63,364**	-
Gain on remeasurement on disposal of an associate	**-**	3,348	**-**	-
Negative goodwill from acquisition of a new subsidiary	**-**	3,601	**-**	-
Reversal of impairment loss of investment property	**-**	171	**-**	-

* Included in fees for non-audit services are fees payable to PricewaterhouseCoopers Malaysia and its local affiliates for the Group and the Company of RM337,000 (2013: RM705,000) and RM50,000 (2013: RM129,000) respectively.

39 FINANCE COSTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- loans and borrowings	**20,882**	18,612	**3,528**	2,833
- hire purchase liabilities	**-**	70	**-**	-
- others	**-**	311	**746**	225
	20,882	18,993	**4,274**	3,058

40 TAX EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax:				
- Malaysian income tax	**43,314**	23,600	**681**	760
- Foreign taxation	**14,606**	8,104	**-**	-
	57,920	31,704	**681**	760
Deferred taxation (Note 15)	**(6,549)**	322	**-**	-
	51,371	32,026	**681**	760
Current tax:				
- Current financial year	**61,309**	30,087	**1,000**	830
- Benefits from previously unrecognised temporary differences	**-**	(305)	**-**	-
- (Over)/under accrual in prior financial years	**(3,389)**	1,922	**(319)**	(70)
	57,920	31,704	**681**	760
Deferred taxation (Note 15)				
- Origination and reversal of temporary differences	**(6,549)**	322	**-**	-
Tax expense recognised in profit or loss	**51,371**	32,026	**681**	760

40 TAX EXPENSE (CONTINUED)

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before tax	**198,480**	64,319	**110,689**	49,431
Calculated at the Malaysian tax rate of 25% (2013: 25%) on profit before tax	**49,620**	16,080	**27,672**	12,358
Expenses not deductible for tax purposes	**14,079**	13,721	**3,716**	6,572
Income not subject to tax	**(31,819)**	(13,821)	**(30,388)**	(18,100)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(3,828)**	(305)	**-**	-
Current financial year deferred tax assets not recognised	**25,952**	17,108	**-**	-
Utilisation of tax incentives	**(466)**	(2,414)	**-**	-
Effect of different tax rates in other countries	**293**	32	**-**	-
Effects of changes in tax rates	**(14)**	(142)	**-**	-
(Over)/under provision in prior financial years	**(3,389)**	1,922	**(319)**	(70)
Share of associates and joint ventures results	**(164)**	519	**-**	-
Others	**1,107**	(674)	**-**	-
Tax expense recognised in profit or loss	**51,371**	32,026	**681**	760

41 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The basic earnings per share for the financial year has been calculated by dividing the Group's profit attributable to owners of the Company for the financial year of RM125,565,000 (2013: RM32,324,000) by the weighted average number of ordinary shares in issue, after adjusting for movements in treasury shares during the financial year.

Weighted average number of shares

	Group	
	2014	2013
	'000	'000
Issued ordinary shares at 1 January	**774,887**	774,887
Effect of shares repurchased	**(2,882)**	(4,381)
Weighted average number of ordinary shares in issue	**772,005**	770,506
Basic earnings per ordinary share (sen)	**16.26**	4.20

42 DIVIDENDS

	Group and Company	
	2014	2013
	RM'000	RM'000
In respect of the financial year ended 31 December 2014:		
1st interim single tier cash dividend of 2.5 sen per share paid on 2 October 2014	**19,314**	-
In respect of the financial year ended 31 December 2013:		
1st interim single tier cash dividend of 2.0 sen per share paid on 3 October 2013	**-**	15,423
2nd interim single tier cash dividend of 2.0 sen per share and share dividend of 1.10 sen per share(*), both paid on 3 April 2014	**24,044**	-
In respect of the financial year ended 31 December 2012:		
2nd interim single tier cash dividend of 2.5 sen per share and share dividend of 1.50 sen per share(**), both paid on 3 April 2013	**-**	31,490
	43,358	46,913

(*) The share dividend distributed from the treasury shares of the Company was made on the basis of one (1) share for every one hundred and fifty (150) existing ordinary shares of RM0.50 each held at the entitlement date on 13 March 2014, based on the Company's share price of RM1.65 each as at 31 December 2013.

(**) The share dividend distributed from the treasury shares of the Company was made on the basis of one (1) share for every one hundred and ten (110) existing ordinary shares of RM0.50 each held at the entitlement date on 13 March 2013, based on the Company's share price of RM1.65 each as at 31 December 2012.

On 26 February 2015, the Directors declared a second interim dividend comprising:

(i) Single tier cash dividend of 2.5 sen per share amounting to RM19,264,271; and

(ii) Special single tier share dividend of 4,276,929 treasury shares (includes treasury shares purchased subsequent to 31 December 2014) distributed to the shareholders of Wah Seong Corporation Berhad ("WSC") on the basis of one (1) WSC share for every one hundred and eighty (180) existing WSC ordinary shares of RM0.50 each held at the entitlement date on 16 March 2015. Based on the share price of WSC shares of RM1.21 each as at 31 December 2014, the value of the share dividend per WSC share is equivalent to a gross cash dividend of 0.67 sen per share.

The second interim dividend was paid/credited into the entitled shareholders' securities accounts on 3 April 2015.

43 SIGNIFICANT ACQUISITIONS

(a) Acquisitions during the financial year

(i) On 8 October 2014, Wasco Energy Ltd. ("WEL"), a wholly-owned subsidiary of the Company, acquired 6,860,000 ordinary shares of USD1.00 each, representing 49% equity interest in Alam-PE Holdings (L) Inc. for a cash consideration of RM106,000,000. With the completion of this acquisition, Alam-PE Holdings (L) Inc. became a joint venture to the Group.

(b) Acquisitions in the preceding financial year

(i) On 4 March 2013, the Group completed its acquisition of the remaining 51% equity interest in the total issued and paid-up share capital of Spirolite (M) Sendirian Berhad ("Spirolite"), which was an associate of the Group. Accordingly, Spirolite and its subsidiaries (collectively known as "Spirolite Group"), namely Advanced Piping System Sdn. Bhd. and Spirolite Marketing Sdn. Bhd. became wholly-owned indirect subsidiaries from that date thereon. The Group has accounted for the acquisition in accordance with the requirements of MFRS 3 "Business Combinations".

43 SIGNIFICANT ACQUISITIONS (CONTINUED)

(b) Acquisitions in the preceding financial year (continued)

Spirolite Group is involved in manufacturing and trading of spiral pipes, straight pipes, tubes, tanks and containers. The acquisition has further expanded the diversification of the Group in infrastructure and building materials industry.

In the ten months to 31 December 2013, Spirolite Group contributed revenue of RM23,683,935 and net profit of RM982,610. The acquired subsidiaries would have contributed a revenue of RM27,041,747 and a net profit of RM1,013,533 to the Group as if the combinations had taken place at the beginning of the financial year ended 31 December 2013.

The remeasurement to fair value of the Group's existing 49% interest in Spirolite Group resulted in a gain of RM3,347,616 (RM12,126,804 less RM8,779,188) carrying value of equity accounted amount at acquisition date which was transferred to profit or loss in other operating income in the consolidated statement of profit or loss.

The Group incurred acquisition-related costs of RM11,400 related to external legal fees. The legal fees have been included in administrative and general expenses in the Group's consolidated statement of profit or loss.

The fair value of the identifiable assets and liabilities of the business acquisition of the Group as at the date of acquisition was:

	Spirolite Group	
	Carrying amount before combination	Fair value recognised on acquisition
	RM'000	RM'000
Group		
Property, plant and equipment	4,843	18,243
Inventories	4,024	4,024
Trade and other receivables	7,887	7,964
Cash and bank balances	4,169	4,169
Trade and other payables	(2,322)	(2,399)
Current tax liabilities	(66)	(66)
Deferred tax liabilities	(179)	(3,334)
Net identifiable assets acquired	18,356	28,601
Accreditation of negative goodwill		(3,601)
Total purchase consideration paid		25,000
Cost of the acquisitions		
Fair value of acquired subsidiaries		25,000
Fair value of previously held equity interest in associate		(12,127)
Cash and cash equivalents acquired		(4,169)
Cash and cash equivalents used in the acquisition		8,704

43 SIGNIFICANT ACQUISITIONS (CONTINUED)

(b) Acquisitions in the preceding financial year (continued)

(ii) On 31 January 2013, the Group subscribed an additional 16,000 shares in Atama Resources Inc. ("ARI") for a cash consideration of USD9,300,000 (equivalent to RM28,672,000). With the completion of this subscription, the Group's effective equity interest in ARI increased to 51%. Accordingly, ARI and its subsidiaries (collectively known as "ARI Group"), namely Atama Plantation SARL, Signet Plus Sdn. Bhd., Agro Commodities Inc. and Atama Forest SARL became subsidiaries of the Group, effective 31 January 2013.

The investment in ARI Group is treated as an acquisition of assets as it does not constitute a business. Hence, this acquisition is not within the scope of MFRS 3 "Business Combinations".

ARI Group is involved in the business of agricultural development, cultivation of oil palm and other crops and provision of management services to its related companies. The acquisition has expanded the Group into the plantation industry.

44 DISPOSAL OF SUBSIDIARIES

(a) Disposal of subsidiaries during the financial year

On 19 June 2014, the Company entered into a Share Sale Agreement with its wholly-owned subsidiary, Jutasama Sdn. Bhd., for the disposal of its 100% equity interest in PMT Industries Sdn. Bhd., and its subsidiaries (collectively known as PMT Group) for a total consideration of RM125,000,000. As a result, PMT Group, become indirect subsidiaries of the Company.

The consideration was paid by the combination of cash of RM75,000,000 and capitalisation of Redeemable Preference Shares of RM50,000,000.

(b) Disposal of interest in a subsidiary in the preceding financial year

On 13 September 2013, Wasco Energy Ltd, a wholly-owned subsidiary of the Company, completed a disposal of 40% of its equity interest in Wasco (Australia) Pty. Ltd., an indirect subsidiary of the Company, for a total consideration of AUD2,800 (equivalent to RM8,468) effectively reducing the indirect interest of the Group to 60%. The effects of this transaction are disclosed in the consolidated statement of changes in equity.

45 SIGNIFICANT RELATED PARTY DISCLOSURES

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The transactions described below were carried out on agreed terms.

	Group	
	2014	**2013**
	RM'000	**RM'000**
Significant transactions with companies in which a Director of the Company, Dato' Seri Robert Tan Chung Meng, has interest		
Rental of premises paid/payable	**1,070**	1,039

	Company	
	2014	**2013**
	RM'000	**RM'000**
Significant transactions with subsidiaries		
Dividend income:		
- Jutasama Sdn. Bhd.	**28,595**	24,030
- Wasco Energy Ltd.	**18,749**	-
- Petro-Pipe Industrial Corporation Sdn. Bhd.	**8,186**	21,681
- PMT Industries Sdn. Bhd.	**-**	17,263
- Wah Seong International Pte Limited	**-**	493
Interest income:		
- Maple Sunpark Sdn. Bhd.	**3,198**	55
- WSC Capital (Labuan) Limited	**1,527**	-
- Peakvest Sdn. Bhd.	**547**	814
- Wasco Coatings Limited	**498**	167
- Wah Seong Industrial Holdings Sdn. Bhd.	**201**	294
Management fees receivables:		
- Wasco Management Services Sdn. Bhd.	**1,823**	204
- Syn Tai Hung Trading Sdn. Bhd.	**1,165**	303
- PMT Industries Sdn. Bhd.	**1,120**	972
- PPI Industries Sdn. Bhd.	**996**	174
- Jutasama Sdn. Bhd.	**884**	624

45 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Company	
	2014	2013
	RM'000	RM'000
Significant transactions with subsidiaries (continued)		
Net advances to / (repayment from) subsidiaries:		
- Maple Sunpark Sdn. Bhd.	**65,274**	25,103
- Mackenzie Industries Sdn. Bhd.	**32,247**	(88)
- Jutasama Sdn. Bhd.	**26,574**	-
- WSC Capital (Labuan) Limited	**6,187**	-
- Triple Cash Sdn. Bhd.	**3,750**	-
- Peakvest Sdn. Bhd.	**3,340**	11,237
- Sunrise Green Sdn. Bhd.	**2,379**	-
- Wah Seong Industrial Holdings Sdn. Bhd.	**290**	12,268
- Wasco Coatings Limited	**(47,942)**	63,858
- Petro-Pipe (Sabah) Sdn. Bhd.	**(600)**	600
- Wasco Coatings Malaysia Sdn. Bhd.	**-**	(29,000)
Net (advances from) / repayment to subsidiaries:		
- Wasco Coatings Malaysia Sdn. Bhd.	**29,000**	-
- PPI Industries Sdn. Bhd.	**9,000**	(9,108)
- Jutasama Sdn. Bhd.	**(27,000)**	-
- Mackenzie Industries Sdn. Bhd.	**(21,895)**	-

Significant outstanding balances with related parties at the financial year end are as follows:

	Company	
	2014	2013
	RM'000	RM'000
Amounts due from/(to) subsidiaries		
WSC Capital (Labuan) Limited	**110,346**	96,135
Maple Sunpark Sdn. Bhd.	**93,633**	25,161
Peakvest Sdn. Bhd.	**19,188**	15,300
Wasco Coatings Limited	**17,858**	66,089
Wasco Energy Ltd.	**15,062**	1
Wah Seong Industrial Holdings Sdn. Bhd.	**13,512**	12,650
Mackenzie Industries Sdn. Bhd.	**13,382**	8
Petro-Pipe Industrial Corporation Sdn. Bhd.	**8,198**	8,713
Jutasama Sdn. Bhd.	**7,702**	18,650

45 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant outstanding balances with related parties at the financial year end are as follows (continued):

	Company	
	2014	2013
	RM'000	RM'000
Amounts due from/(to) subsidiaries (continued)		
Triple Cash Sdn. Bhd.	**3,998**	153
Sunrise Green Sdn. Bhd.	**2,744**	332
PPI Industries Sdn. Bhd.	**479**	(8,943)
Wasco Management Services Sdn. Bhd.	**439**	133
Syn Tai Hung Trading Sdn. Bhd.	**170**	137
PMT Industries Sdn. Bhd.	**107**	1,191
Petro-Pipe (Sabah) Sdn. Bhd.	**8**	602
Wasco Coatings Malaysia Sdn. Bhd.	**6**	(29,083)
PPSC Property Sdn. Bhd.	**(1,528)**	(1,529)
Wah Seong International Pte. Limited	**-**	494

Compensation of key management personnel are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Key management personnel:				
- short-term employee benefits (including monetary value of benefits-in-kind)	**10,931**	11,626	**4,006**	4,007
- post-employment benefits	**677**	605	**451**	460

46 STAFF COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Salaries, wages and bonus	**279,022**	169,619	**10,366**	8,723
Defined contribution plan	**13,802**	11,170	**1,293**	964
	292,824	180,789	**11,659**	9,687

Included within staff costs are remuneration of Executive Directors of the Group and the Company, as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Salaries, wages and bonus	**5,167**	5,507	**2,137**	2,359
Defined contribution plan	**412**	362	**254**	282
	5,579	5,869	**2,391**	2,641

The estimated monetary value of benefits-in-kind received and receivable by Directors of the Group and the Company are RM527,000 (2013: RM568,000) and RM110,000 (2013: RM110,000) respectively.

47 COMMITMENTS

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2014 RM'000	2013 RM'000
Commitment to acquire property, plant and equipment not provided for in the financial statements:		
Approved and contracted	**48,494**	29,549
Approved but not contracted	**117,366**	37,729

(b) Operating lease commitments - The Group as lessee

In addition to the prepaid lease payments disclosed in Note 5, the Group has entered into commercial leases of land and operating equipment. These leases have an average tenure between 1 and 2 years with no renewal option or contingent rent provision included in the contracts.

47 COMMITMENTS (CONTINUED)

(b) Operating lease commitments - The Group as lessee (continued)

Future minimum rental payable under non-cancellable operating leases (excluding prepaid lease payments) at the reporting date are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Payable not later than one year	**2,326**	2,163
Payable later than one year but not later than five years	**673**	1,854

(c) Operating lease commitments - The Group as lessor

The Group leases out equipment to non-related parties under non-cancellable operating leases.

Total future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Not later than one year	**12,978**	18,481
More than one year but not later than five years	**7,769**	2,232

48 CONTINGENT LIABILITIES

On 17 December 2008, Socotherm S.p.A. ("Socotherm") commenced a Request for Arbitration against the Company and its indirect wholly-owned subsidiary, Wasco Coatings Limited ("WCL").

At the relevant time, Socotherm and WCL were shareholders of PPSC Industrial Holdings Sdn. Bhd. ("PPSCIH"), an investment holding company where Socotherm held 32.52% and WCL held 67.48% in the total paid-up capital of PPSCIH. PPSCIH in turn held 78.00% of the paid-up capital of Wasco Coatings Malaysia Sdn. Bhd. ("WCM"), a company principally involved in the coating of pipes for the oil and gas industry. In October 2009, WCL acquired Socotherm's 32.52% interest in PPSCIH and currently, PPSCIH holds 70% of the paid-up capital of WCM.

Socotherm alleged that the transfer of 25,508,858 shares in PPSCIH ("PPSCIH Shares") from the Company to WCL, as part of an internal restructuring, is in breach of the Joint Venture Agreement dated 16 December 1991 ("JVA") and Supplemental Agreement dated 14 July 1997 ("SA") (collectively known as the "said Agreements") and that the Company and WCL have breached certain territorial limit provisions under the said Agreements. Socotherm is seeking for an order for damages to be assessed by the Arbitral Tribunal for the breach of the territorial limits provisions and the transfer of shares.

On 24 February 2009, WCM commenced a Request for Arbitration against Socotherm, which is consolidated as a counter-claim in the above-mentioned arbitration. WCM alleged that the Respondent has also breached certain territorial limit provisions under the said Agreements arising from its activities in the extended territories as defined in the SA which directly competes with WCM's activities in those territories, in particular Vietnam, India, Australia, Indonesia and China.

48 CONTINGENT LIABILITIES (CONTINUED)

A partial award was received from the Arbitral Tribunal concerning only the issue of liability of the parties to the two arbitral proceedings to each other under the various claims and counterclaims. The Arbitral Tribunal inter alios held that:

a) The Company and WCL were in breach of certain provisions on transfer of PPSCIH shares. However, Socotherm's claim for a re-transfer of the PPSCIH Shares for breach is dismissed.

b) The Company and WCL are liable to Socotherm for breach of certain provisions in the JVA and the SA respectively that placed certain territorial limits under the JVA and the SA on the pipe coating services that could be provided and on the sale of pipe-coating plants.

c) WCM is liable to pay Socotherm a fee of 5% on the net profit on projects procured within the countries defined in the SA.

d) Socotherm is liable to WCM for the breach of the territorial restrictions in the SA in respect of certain projects undertaken by Socotherm in Vietnam and China.

e) WCM's claims against Socotherm for breach of the territorial restrictions in the SA in respect of certain projects undertaken by Socotherm in India, Indonesia and Australia were dismissed.

f) Costs of the proceedings are reserved.

The consolidated arbitral proceedings have concluded and the Group is still awaiting the Arbitral Tribunals decision.

The Directors are unable to ascertain the impact of the award at this point, pending the Arbitral Tribunals decision for the determination of the compensation payable by each party.

49 SEGMENTAL ANALYSIS

For management purposes, the Group is organised into business units based on their products and services. The Group's operating segments have been realigned to reflect the new organisation structure adopted in the preceding financial year.

The Group's operating segments comprise:

(a) Oil & gas division: Pipe coating, pipe manufacturing for the oil and gas industry, building and operating offshore/onshore field development facilities and the provision of highly specialised equipment and services to the power generation, oleochemical and petrochemical industries.

(b) Renewable energy division: Supplier and manufacturer of specialised equipment for biomass power plants; such as industrial fans, boilers and turbines that run primarily on biomass fuels.

(c) Industrial trading & services division: Trading and distribution of building materials and the manufacturing and trading of industrial pipes for the construction industry.

(d) Plantation division: Agricultural development, cultivation of oil palm and other crops and trading of oil palm products and agriculture based products.

(e) Others: All other units within the group that do not constitute a separately reportable segment.

Management monitors the operating results of its divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and profitability measures as shown in the table below.

Transactions between segments were entered into in the normal course of business and were established on agreed terms. The effects of such inter-segmental transactions are eliminated on consolidation.

The assets are allocated based on the operations of the respective segments. The amounts provided to the Group Chief Executive Officer with respect to total assets are measured in a manner consistent with the disclosure of segment assets below.

49 SEGMENTAL ANALYSIS (CONTINUED)

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Plantation RM'000	Others RM'000	Total RM'000
RESULTS						
Financial year ended 31 December 2014						
Revenue	1,393,519	342,510	595,175	-	117,669	2,448,873
Less: Inter segment revenue	(9,459)	(53)	(741)	-	-	(10,253)
External revenue	1,384,060	342,457	594,434	-	117,669	2,438,620
Segment profits/(losses)	187,499	62,062	6,607	(20,268)	(17,565)	218,335
Share of results of associates						7,562
Share of results of joint ventures						(6,907)
Unallocated expenses relating to financing activities						(11,362)
Unallocated corporate expenses						(9,148)
Profit before tax						198,480

49 SEGMENTAL ANALYSIS (CONTINUED)

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Plantation RM'000	Others RM'000	Total RM'000
TOTAL ASSETS						
As at 31 December 2014						
Segment assets	1,589,508	306,411	284,998	165,225	99,614	2,445,756
Investment in associates	159,288	-	4,935	-	-	164,223
Investment in joint ventures	123,438	420	-	-	12,891	136,749
	1,872,234	306,831	289,933	165,225	112,505	2,746,728
Assets of disposal groups held for sale						31,373
Unallocated corporate assets						
- Deferred tax assets						19,185
- Tax recoverable						11,954
- Cash and cash equivalents						63,416
- Others						28,659
Total assets						2,901,315

49 SEGMENTAL ANALYSIS (CONTINUED)

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Plantation RM'000	Others RM'000	Total RM'000
OTHER INFORMATION						
Financial year ended 31 December 2014						
Depreciation of:						
- Property, plant and equipment	56,959	3,656	4,004	6,119	3,712	74,450
- Investment properties	-	-	-	-	365	365
Amortisation of:						
- Prepaid lease payments	942	7	546	1,527	-	3,022
- Other intangible assets	-	22	-	-	-	22
Additions of:						
- Property, plant and equipment	117,779	4,591	1,876	1,818	4,237	130,301
- Biological assets	-	-	-	2,735	-	2,735
- Investment properties	-	-	-	-	2,450	2,450
Impairment loss on trade receivables	788	1,208	1,784	-	-	3,780
Impairment loss on property, plant and equipment	12,259	-	-	2,289	-	14,548
Interest income	(4,389)	(756)	(967)	(13)	(901)	(7,026)
Interest expense	13,655	359	2,936	-	3,932	20,882

49 SEGMENTAL ANALYSIS (CONTINUED)

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Plantation RM'000	Others RM'000	Total RM'000
RESULTS						
Financial year ended 31 December 2013						
Revenue	727,112	340,895	616,488	-	137,166	1,821,661
Less: Inter segment revenue	(37,273)	(1,766)	(3,239)	-	-	(42,278)
External revenue	689,839	339,129	613,249	-	137,166	1,779,383
Segment profits/(losses)	40,639	64,627	2,628	(15,736)	869	93,027
Share of results of associates						927
Share of results of joint ventures						(3,002)
Unallocated expenses relating to financing activities						(11,981)
Unallocated corporate expenses						(14,652)
Profit before tax						64,319

49 SEGMENTAL ANALYSIS (CONTINUED)

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Plantation RM'000	Others RM'000	Total RM'000
TOTAL ASSETS						
As at 31 December 2013						
Segment assets	1,391,432	288,172	274,622	174,958	98,583	2,227,767
Investment in associates	142,819	-	4,960	-	-	147,779
Investment in joint ventures	21,343	-	-	-	12,922	34,265
	1,555,594	288,172	279,582	174,958	111,505	2,409,811
Assets of disposal groups held for sale						4,223
Unallocated corporate assets						
- Deferred tax assets						10,437
- Tax recoverable						17,274
- Cash and cash equivalents						28,211
- Others						29,220
Total assets						2,499,176

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

49 SEGMENTAL ANALYSIS (CONTINUED)

	Oil & Gas RM'000	Renewable Energy RM'000	Industrial Trading & Services RM'000	Plantation RM'000	Others RM'000	Total RM'000
OTHER INFORMATION						
Financial year ended 31 December 2013						
Depreciation of:						
- Property, plant and equipment	41,601	3,822	3,796	4,889	2,134	56,242
- Investment properties	-	-	-	-	384	384
Amortisation of:						
- Prepaid lease payments	943	5	411	1,298	-	2,657
- Other intangible assets	-	22	-	-	-	22
Additions of:						
- Property, plant and equipment	140,178	4,296	2,451	9,332	49,797	206,054
- Biological assets	-	-	-	9,944	-	9,944
- Investment properties	-	-	-	-	125	125
Impairment loss on trade receivables	1,967	246	11,923	-	131	14,267
Interest income	(3,868)	(809)	(1,226)	-	(1,815)	(7,718)
Interest expense	13,057	689	2,785	126	2,336	18,993

49 SEGMENTAL ANALYSIS (CONTINUED)

Geographical information

Revenue and non-current assets information is based on the geographical location of customers and assets respectively as follows:

	Revenue		Non-current assets*	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Attributed to the country of domicile:				
Malaysia	**1,163,492**	1,097,854	**693,195**	664,212
Attributed to foreign countries:				
South East Asia excluding Malaysia	**548,513**	351,639	**151,608**	272,638
Europe	**274,037**	49,489	**179,744**	58,984
India	**139,771**	37,246	**-**	-
China	**69,818**	37,077	**79,808**	58,212
Australia	**43,489**	29,778	**20,294**	20,607
Middle East	**46,993**	49,416	**91,891**	5,467
East Asia	**67,430**	13,998	**-**	-
Africa	**29,872**	61,058	**153,970**	160,476
Latin America	**23,159**	-	**-**	-
Others	**32,046**	51,828	**55,942**	7,857
	2,438,620	1,779,383	**1,426,452**	1,248,453

* Non-current assets other than available-for-sale financial assets, financial instruments and deferred tax assets.

50 FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets measured at fair value through profit or loss				
- Derivatives financial assets	**1**	105	**-**	-
Available-for-sale financial assets	**1,063**	1,072	**-**	-
Loans and receivables at amortised cost:				
- Long term deposit	**33,093**	-	**-**	-
- Trade and other receivables (excluding prepayments)	**723,706**	472,719	**1,646**	1,815
- Amounts due from customers on contracts	**133,834**	88,148	**-**	-
- Amounts owing by subsidiaries	**-**	-	**307,470**	246,410
- Amounts owing by associates	**1,446**	7,372	**-**	-
- Amounts owing by joint ventures	**42,403**	32,572	**23**	16
- Time deposits	**95,571**	176,792	**34,312**	19,962
- Cash and bank balances	**149,521**	204,285	**25,870**	6,457
	1,179,574	981,888	**369,321**	274,660
Total	**1,180,638**	983,065	**369,321**	274,660
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
- Derivatives financial liabilities	**4,135**	938	**-**	-
Other financial liabilities at amortised cost:				
- Trade and other payables	**505,220**	357,208	**10,261**	8,888
- Amounts owing to subsidiaries	**-**	-	**1,528**	39,571
- Amounts owing to joint ventures	**5,384**	4,990	**-**	-
- Amount owing to an associate	**-**	32	**-**	-
- Dividend payable	**-**	1,961	**-**	-
- Loans and borrowings	**1,015,810**	829,376	**255,712**	214,195
	1,526,414	1,193,567	**267,501**	262,654
Total	**1,530,549**	1,194,505	**267,501**	262,654

51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and Company's overall financial risk management objectives and policies are to ensure that the Group and the Company create value and maximise returns for its shareholders. Financial risk management is carried out through risk review, internal control systems, benchmarking to the industry's best practices and adherence to the Group's financial risk management policies.

The main risks arising from the financial instruments of the Group and the Company are credit risk, market risk, and liquidity risk. Management monitors the Group's and the Company's financial position closely with the objective to minimise potential adverse effects on the financial performance of the Group and of the Company.

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

Credit risk

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

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position, including derivative financial instruments with positive fair values.

(a) Receivables

The Group's and the Company's exposure to credit risk is monitored on an ongoing basis. The Group and the Company have credit policies in place to manage the credit risk exposure. The risk is managed through the application of the Group's and the Company's credit management procedures which include the application of credit evaluations or approvals and follow up procedures.

The Group and the Company actively monitor the utilisation of credit limits to manage the risk of any material loss from the non-performance of its counter-parties.

(b) Intercompany balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of its subsidiaries regularly.

As at 31 December 2014, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 31 December 2014, there was no indication that the loans and advances extended to the subsidiaries are not recoverable.

(c) Derivative financial instruments

Transactions involving derivative financial instruments are with approved financial institutions and reputable banks.

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

In view of the counterparties being reputable licensed financial institutions, management does not expect any of the counterparties to fail to meet their obligations.

(d) Financial guarantees

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

51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

(d) Financial guarantees (continued)

The maximum exposure to credit risk amounts to RM100,432,511 (2013: RM149,494,592) representing banking facilities utilised by the subsidiaries as at the end of the financial year.

As at 31 December 2014, there was no indication that any subsidiary would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material as the probability of the subsidiaries defaulting on its banking facilities is remote.

(e) Time deposits and cash and bank balances

Time deposits and cash and bank balances are placed with approved financial institutions and reputable banks. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings.

Market risk

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

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currencies of the Group entities. The foreign currencies in relation to these transactions are mainly denominated in United States Dollar and Norwegian Kroner.

The Group maintains a natural hedge, whenever possible, by maintaining receivables and payables in matching foreign currencies. Foreign exchange exposures in transactional currencies other than the functional currencies of the operating entities are kept to an acceptable level.

The Group also uses forward currency contracts to minimise exposure on currency fluctuations for which receipts or payments are anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts entered are in the same currency as the hedged item. It is the Group's policy to negotiate the terms of the forward currency contracts to match the terms of the hedged item to maximise its effectiveness.

The Group is mainly exposed to fluctuation in the United States Dollar exchange rate against the respective functional currencies of the Group entities. The Group considers a 5% strengthening or weakening of the United States Dollar and Norwegian Kroner as a possible change.

A 5% strengthening or weakening of the United States Dollar would result in pre-tax profit being approximately RM1,494,000 (2013: RM6,206,600) lower or higher for the Group. A 5% strengthening or weakening of the Norwegian Kroner would result in pre-tax profit being approximately RM1,042,000 (2013: RM3,481,700) higher or lower for the Group. A 5% strengthening or weakening of the United States Dollar would result in pre-tax profit being approximately RM1,318,000 (2013: RM2,552,000) higher or lower for the Company.

The Group considers that the foreign currency risk attributable to currencies other than the United States Dollar and Norwegian Kroner to be insignificant.

51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(b) Interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to interest rate risks relates primarily to the Group's and the Company's time deposits and interest bearing borrowings.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group and the Company manages its interest rate risks by placing such funds on short tenures of 12 months or less.

The Group and the Company generally borrow principally on a floating rate basis and ensure that interest rates obtained are competitive. The Group has entered into interest cap and interest rate swap contracts (Note 12) to limit the Group's exposure to adverse interest rate fluctuations.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instrument have been presented in Notes 20, 23 and 32.

Fair value sensitivity for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as a fair value hedge. Therefore, a change in interest rates for these financial instruments at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's pre-tax cash flows would have been approximately RM1,148,508 (2013: RM1,502,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its payables and borrowings. The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

As at 31 December 2014, there are facilities available together with new facility which the Group and the Company is pursuing, that can be used to part refinance borrowings, capital expenditure and general working capital requirements of the Group and the Company.

51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

All financial liabilities of the Group and the Company that will be due and payable within the next 12 months are classified within current liabilities. The contractual cash flows of derivative financial liabilities and non-derivative financial liabilities are presented below:

	Within 1 year RM'000	More than 1 year and less than 2 years RM'000	More than 2 years and less than 5 years RM'000	Total contractual undiscounted cash flows RM'000	Total carrying amount RM'000
Group					
2014					
Non-derivative financial liabilities					
Trade and other payables	**505,220**	**-**	**-**	**505,220**	**505,220**
Amounts owing to joint ventures	**5,384**	**-**	**-**	**5,384**	**5,384**
Loans and borrowings	**883,804**	**69,229**	**72,499**	**1,025,532**	**1,015,810**
	1,394,408	**69,229**	**72,499**	**1,536,136**	**1,526,414**
Derivative financial liabilities					
Forward currency contracts					
Gross settled					
- outflow	**137,970**	**-**	**-**	**137,970**	
- inflow	**(133,835)**	**-**	**-**	**(133,835)**	
	4,135	**-**	**-**	**4,135**	**4,135**
	1,398,543	**69,229**	**72,499**	**1,540,271**	**1,530,549**
2013					
Non-derivative financial liabilities					
Trade and other payables	357,208	-	-	357,208	357,208
Amounts owing to joint ventures	4,990	-	-	4,990	4,990
Amount owing to an associate	32	-	-	32	32
Dividend payable	1,961	-	-	1,961	1,961
Loans and borrowings	654,262	90,118	102,196	846,576	829,376
	1,018,453	90,118	102,196	1,210,767	1,193,567
Derivative financial liabilities					
Forward currency contracts					
Gross settled					
- outflow	102,606	-	-	102,606	
- inflow	(101,741)	-	-	(101,741)	
	865	-	-	865	865
	1,019,318	90,118	102,196	1,211,632	1,194,432

51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

	Within 1 year RM'000	More than 1 year and less than 2 years RM'000	More than 2 years and less than 5 years RM'000	Total contractual undiscounted cash flows RM'000	Total carrying amount RM'000
Company					
2014					
Non-derivative financial liabilities					
Other payables and accruals	**10,261**	**-**	**-**	**10,261**	**10,261**
Amounts owing to subsidiaries	**1,528**	**-**	**-**	**1,528**	**1,528**
Loans and borrowings	**255,712**	**-**	**-**	**255,712**	**255,712**
	267,501	**-**	**-**	**267,501**	**267,501**
2013					
Non-derivative financial liabilities					
Other payables and accruals	8,888	-	-	8,888	8,888
Amounts owing to subsidiaries	39,571	-	-	39,571	39,571
Loans and borrowings	214,195	-	-	214,195	214,195
	262,654	-	-	262,654	262,654

52 FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities classified within current assets and current liabilities respectively approximate their fair values due to the relatively short term nature of these financial instruments.

Fair value of quoted equity instruments and debts securities are determined by reference to their respective published market bid price as at 31 December 2014.

The fair values of forward exchange contracts are estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

The fair values of interest rate swaps and interest rate cap are determined by using valuation techniques based on observable market data.

Fair values of non-derivative financial liabilities are 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. In respect of the liability component of ICULS, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

The carrying amount of financial liabilities measured at amortised cost approximates their respective fair values.

52 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The table below summarises all financial instruments carried at fair value as at 31 December 2014, based on a hierarchy that reflects the significance of the inputs used in measuring its respective fair values. The levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

				Group
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
2014				
Financial assets/(liabilities)				
Available-for-sale financial assets	**13**	**-**	**1,050**	**1,063**
Long term deposit	**-**	**33,093**	**-**	**33,093**
Derivative financial assets	**-**	**1**	**-**	**1**
Derivative financial liabilities	**-**	**(4,135)**	**-**	**(4,135)**
	13	**28,959**	**1,050**	**30,022**
2013				
Financial assets/(liabilities)				
Available-for-sale financial assets	22	-	1,050	1,072
Derivative financial assets	-	105	-	105
Derivative financial liabilities	-	(938)	-	(938)
	22	(833)	1,050	239

53 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital structure in order to continue support its businesses, maximise shareholders' value and sustain future development of businesses within the Group. The Group monitors and maintains an optimal gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as interest bearing liabilities less cash and cash equivalents. Total capital includes paid-up share capital and reserves attributable to owners of the Company. The Group's overall strategy remains unchanged from 2013.

The Group and Company manage its capital structure in order to ensure that the net gearing ratio of the Group does not exceed 1.0 time, which is well within the requirements of the Group's banking facilities. The Group and the Company are in compliance with all externally imposed capital requirements.

SUPPLEMENTARY INFORMATION DISCLOSED
PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

The retained earnings as at the reporting date are analysed as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained profits (excluding retained profits from associates and joint ventures)				
- Realised gains	**541,684**	497,429	**267,932**	208,170
- Unrealised gains/(losses)	**12,083**	(21,497)	**211**	(6,677)
Total share of retained profits from associates				
- Realised gains	**5,151**	7,554	**-**	-
- Unrealised gains	**10,628**	662	**-**	-
Total share of retained profits from joint ventures				
- Realised (losses)/gains	**(6,526)**	497	**-**	-
- Unrealised gains/(losses)	**110**	(6)	**-**	-
At 31 December	**563,130**	484,639	**268,143**	201,493
Less: Consolidation adjustments	**(49,048)**	(51,648)	**-**	-
	514,082	432,991	**268,143**	201,493

SUMMARY OF SIGNIFICANT RECURRENT RELATED PARTY TRANSACTIONS

A. TRANSACTIONS OF A REVENUE OR TRADING IN NATURE

<table>
<tr><th>Interested Related Party</th><th>Provider of Products / Services</th><th>Recipient of Products / Services</th><th>Actual Value Transacted for the Financial Year Ended 31 December 2014</th><th>Nature of Transaction</th></tr>
<tr><td rowspan="2">Dato' Mohamed Nizam Bin Abdul Razak; Mohd Azlan Bin Mohammed</td><td>Wasco Corrosion Services Sdn Bhd and its subsidiaries</td><td>Wasco Coatings Malaysia Sdn Bhd and its subsidiaries</td><td>RM6,859,132</td><td>Sale/Purchase of sacrificial anodes and sub-contracting</td></tr>
<tr><td colspan="4">Dato' Mohamed Nizam Bin Abdul Razak is a common Director of Wasco Corrosion Services Sdn Bhd, Wasco Coatings Malaysia Sdn Bhd and Wasco Lindung Sdn Bhd and a Major Shareholder by virtue of him holding 19.81% shares in Wasco Oilfield Services Sdn Bhd, the immediate holding company of Wasco Corrosion Services Sdn Bhd.

Mohd Azlan Bin Mohammed is a common Director of Wasco Corrosion Services Sdn Bhd, Wasco Coatings Malaysia Sdn Bhd and Wasco Lindung Sdn Bhd and a Major Shareholder by virtue of him holding 31.68% shares in Wasco Oilfield Services Sdn Bhd (the immediate holding company of Wasco Corrosion Services Sdn Bhd) and 22.61% shares in Wasco Lindung Sdn Bhd (the indirect subsidiary of Wasco Oilfield Services Sdn Bhd), respectively.</td></tr>
<tr><td rowspan="2">Dato' Seri Robert Tan Chung Meng; Pauline Tan Suat Ming; Tony Tan @ Choon Keat; Tan Chin Nam Sdn Bhd; Tan Kim Yeow Sendirian Berhad; Wah Seong (Malaya) Trading Co. Sdn Bhd</td><td>IGB Corporation Berhad Group of Companies</td><td>Wasco Management Services Sdn Bhd</td><td>RM1,121,270</td><td>Rental of premise and related facilities</td></tr>
<tr><td colspan="4">Dato' Seri Robert Tan Chung Meng is a Director of Wah Seong Corporation Berhad Group and IGB Corporation Berhad Group and also a common Major Shareholder of Wah Seong Corporation Berhad and IGB Corporation Berhad. His total direct and indirect shareholdings in Wah Seong Corporation Berhad and IGB Corporation Berhad are 39.60% and 73.39% respectively.

Pauline Tan Suat Ming is a common Director and common Major Shareholder of Wah Seong Corporation Berhad and IGB Corporation Berhad. Her total direct and indirect shareholdings in Wah Seong Corporation Berhad and IGB Corporation Berhad are 38.56% and 73.33% respectively.

Tony Tan @ Choon Keat, Tan Chin Nam Sdn Bhd, Tan Kim Yeow Sendirian Berhad and Wah Seong (Malaya) Trading Co. Sdn Bhd are common Major Shareholders of Wah Seong Corporation Berhad and IGB Corporation Berhad. Their total direct and/or indirect shareholdings in Wah Seong Corporation Berhad are 38.19%, 33.26%, 38.19% and 33.14% respectively. The total direct and/or indirect shareholdings of Tony Tan @ Choon Keat, Tan Chin Nam Sdn Bhd, Tan Kim Yeow Sendirian Berhad and Wah Seong (Malaya) Trading Co. Sdn Bhd in IGB Corporation Berhad are 73.32%, 73.35%, 73.32% and 73.32% respectively.</td></tr>
<tr><td rowspan="2">Toni Karmawan</td><td>PT PMT Phoenix Industries</td><td>PT Agrindo Prima Lestari</td><td>RM1,141,889</td><td>Sale/Purchase of industrial fans and component parts</td></tr>
<tr><td colspan="4">Toni Karmawan is a common Director of PT PMT Phoenix Industries and PT Agrindo Prima Lestari. He is also a Major Shareholder by virtue of him holding 30% shares in PT Agrindo Prima Lestari.</td></tr>
</table>

B. GROUP FINANCIAL AND/OR TREASURY MANAGEMENT

<table>
<tr><th>Interested Related Party</th><th>Lender</th><th>Borrower</th><th>Actual Value Transacted for the Financial Year Ended 31 December 2014</th><th>Nature of Transaction</th></tr>
<tr><td rowspan="2">Dato' Mohamed Nizam Bin Abdul Razak; Mohd Azlan Bin Mohammed</td><td>Wasco Coatings Malaysia Sdn Bhd</td><td>Wasco Oilfield Services Sdn Bhd and its subsidiaries</td><td>RM350,052</td><td>Interest bearing advances for purpose of working capital requirement</td></tr>
<tr><td colspan="4">Dato' Mohamed Nizam Bin Abdul Razak is a common Director of Wasco Coatings Malaysia Sdn Bhd, Wasco Oilfield Services Sdn Bhd, Wasco Corrosion Services Sdn Bhd and Wasco Lindung Sdn Bhd and a Major Shareholder by virtue of him holding 19.81% shares in Wasco Oilfield Services Sdn Bhd, the immediate holding company of Wasco Corrosion Services Sdn Bhd.

Mohd Azlan Bin Mohammed is a common Director of Wasco Oil Technologies Sdn Bhd, Wasco Coatings Malaysia Sdn Bhd, Wasco Oilfield Services Sdn Bhd, Wasco Corrosion Services Sdn Bhd and Wasco Lindung Sdn Bhd and a Major Shareholder by virtue of him holding 31.68% shares in Wasco Oilfield Services Sdn Bhd (the immediate holding company of Wasco Corrosion Services Sdn Bhd) and 22.61% shares in Wasco Lindung Sdn Bhd (the indirect subsidiary of Wasco Oilfield Services Sdn Bhd), respectively.</td></tr>
</table>

NOTE:
The Interested Related Party Relationships are as per Circular to Shareholders on Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions of A Revenue or Trading Nature and Provision of Financial Assistance dated 28 May 2014 which was approved at the Annual General Meeting of Wah Seong Corporation Berhad on 20 June 2014.

TOP 10 LIST OF PROPERTIES

as at 31 December 2014

Title/Location	Description/ existing use	Approximate age of the building	Approximate land/built-up area	Tenure	Audited NBV as at 31.12.2014 RM
Federal Territory of Cuvette & Sangha Republic of the Congo	Oil palm plantation land & infrastructures	N/A	470,000 hectares	Leasehold 60 years expiring on 17 May 2069	101,525,307
KKIP Timor, Industrial Zone 13 General Industrial Zone Kota Kinabalu Industrial Park Mile 15 Jalan Telipok, Telipok Kota Kinabalu, Sabah	Industrial land with factory and office building	7 years	22 acres (Land) 232,956 sq ft (Building)	Leasehold 99 years expiring on 31 December 2098	62,730,889
Geran No. 32543, 32544, 32546 and 32547 Lot No. 1929, 1930, 1944 and 1945 Geran No. 32545, Lot No. 1943 Daerah & Mukim of Klang Negeri Selangor Darul Ehsan	Industrial land with office and factory building Industrial land	9 - 10 years N/A	18 acres (Land) 40,425 sq m (Building) 4 acres (Land)	Freehold	40,021,183
Geran Mukim 2327, 2805, 2806, 2315, 2328 and 2323 Lot No. 512, 513, 514, 515, 1284 and 2347 Mukim Teluk Panglima Garang Daerah Kuala Langat Negeri Selangor Darul Ehsan	Agricultural land	N/A	24 acres	Freehold	38,035,908
Lot. A to D and Pasdec Land Lot AA Kawasan MIEL Tanjong Gelang Kuantan, Pahang Darul Makmur	Industrial land	N/A	127 acres	Leasehold Lot A to D expiring on 8 November 2109 Leasehold title Pasdec Land Lot AA yet to be issued	28,984,255
Sub Lot 2, Kawasan Perindustrian MIEL Gebeng, KM25 Jalan Kuantan-Kemaman P.O. Box 140 25720 Kuantan Pahang Darul Makmur	Industrial building	12 - 23 years	55,565 sq m	Leasehold 99 years (leasehold title yet to be issued)	27,406,884
KKIP Timor, Industrial Zone 10 General Industrial Zone Kota Kinabalu Industrial Park Mile 15 Jalan Telipok, Telipok Kota Kinabalu, Sabah	Industrial land for storage	N/A	30 acres	Leasehold 99 years expiring on 31 December 2096	20,604,685
PKNP Land Lot Fiz Kawasan Perindustrian Fiz Tg Gelang, Mukim Sg. Karang Kuantan, Pahang Darul Makmur	Industrial land	N/A	36 acres	Leasehold 99 years expiring on 19 December 2096	20,268,359
HS(D) Nos. 40386, 40387 and 39789 PT No. 18, 19 and 1554 respectively Mukim 1 Seberang Perai Tengah Pulau Pinang	Industrial land with office and factory building	14 - 31 years	97,896 sq m (Land) 24,009 sq m (Building)	Leasehold Lot P.T Nos. 18 & 19 expiring on 31 January 2039 Lot P.T Nos. 1554 expiring on 5 June 2046	19,477,506
P.T. No.11443 held under title H.S. (M) 9613 Section 13 Mukim of Kajang District of Hulu Langat Lot 4 Jalan P/2A seksyen 13 Kawasan Perindustrian Bangi 43650 Bandar Baru Bangi Negeri Selangor Darul Ehsan	Factory building	20 - 34 years	16,828 sq m	Leasehold 99 years expiring on 29 September 2086	13,996,386

ANALYSIS OF SHAREHOLDINGS

1. ORDINARY SHARES

Share Capital as at 3 April 2015

Authorised Capital	:	RM1,000,000,000.00
Issued and Fully Paid-up Capital	:	RM387,444,147.00
Nominal/Par value per share	:	RM0.50
Class of Equity Securities	:	Ordinary Shares
Stock Name	:	WASEONG
Voting Rights	:	On a show of hands - one (1) vote per shareholder On a poll - one (1) vote per ordinary share held
Total Shareholders	:	10,347

Distribution of Shareholders as at 3 April 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	1,813	17.5220	58,276	0.0075
100 - 1,000	1,876	18.1309	605,511	0.0781
1,001 - 10,000	4,687	45.2981	16,417,941	2.1188
10,001 - 100,000	1,736	16.7778	39,699,679	5.1233
100,001 to less than 5% of issued share capital	232	2.2422	384,306,189	49.5950
5% and above of issued share capital	3	0.0290	333,800,698	43.0773
Total	**10,347**	**100.0000**	**774,888,294**	**100.0000**

List of Substantial Shareholders as at 3 April 2015

	No. of Ordinary Shares of RM0.50 each			
Name of Substantial Shareholders	Direct Interest	% [a]	Deemed Interest	% [a]
1. Wah Seong (Malaya) Trading Co. Sdn Bhd	254,167,900	32.8023	2,588,705[b]	0.3341
2. Midvest Asia Sdn Bhd	40,478,136	5.2240	-	-
3. Tan Kim Yeow Sendirian Berhad	39,154,662	5.0532	256,756,605[c]	33.1364
4. Pauline Tan Suat Ming	2,126,081	0.2744	295,911,267[d]	38.1897
5. Tan Chin Nam Sdn Bhd	994,206	0.1283	256,756,605[c]	33.1364
6. Tony Tan @ Choon Keat	-	-	295,911,267[d]	38.1897
7. Dato' Seri Robert Tan Chung Meng	10,965,308	1.4152	295,911,267[d]	38.1897
8. Chan Cheu Leong	19,990,651	2.5799	40,478,136[e]	5.2240
9. Employees Provident Fund Board	43,893,492	5.6648	-	-

ANALYSIS OF SHAREHOLDINGS

Directors' Shareholdings as at 3 April 2015

	No. of Ordinary Shares of RM0.50 each			
Name of Directors	**Direct Interest**	**% [a]**	**Deemed Interest**	**% [a]**
1. Dato' Seri Robert Tan Chung Meng	10,965,308	1.4152	295,911,267[d]	38.1897
2. Chan Cheu Leong	19,990,651	2.5799	40,632,627[f]	5.2440
3. Pauline Tan Suat Ming	2,126,081	0.2744	296,657,792[g]	38.2860
4. Halim Bin Haji Din	-	-	-	-
5. Giancarlo Maccagno	16,137,177	2.0826	-	-
6. Professor Tan Sri Lin See Yan	-	-	-	-
7. Daniel Yong Chen-I (Alternate Director to Pauline Tan Suat Ming)	52,813	0.0068	2,819,793[h]	0.3639

Notes:

(a) Based on 774,846,756 (Issued and paid-up share capital of 774,888,294 less Treasury Shares of 41,538).
*(b) Deemed interest held through Wah Seong Enterprises Sdn Bhd ("**WSE**") pursuant to Section 6A of the Companies Act, 1965 ("**the Act**") whereby Wah Seong (Malaya) Trading Co. Sdn Bhd ("**WST**") is the major shareholder of WSE.*
(c) Deemed interest held through WSE and WST pursuant to Section 6A of the Act.
*(d) Deemed interest held through WSE, WST and Tan Kim Yeow Sendirian Berhad ("**TKYSB**") pursuant to Section 6A of the Act.*
*(e) Deemed interest held through Midvest Asia Sdn Bhd ("**MASB**") pursuant to Section 6A of the Act.*
(f) Deemed interest held through MASB pursuant to Section 6A of the Act and include interests of his spouse and children.
(g) Deemed interest held through WSE, WST and TKYSB pursuant to Section 6A of the Act and include interests of her spouse and children.
(h) Deemed interest held through Pauline Tan Suat Ming, his mother and include interests of his father and siblings pursuant to Section 6A of the Act.

Notes:
- By virtue of their interests of more than 15% in the shares of the Company, Dato' Seri Robert Tan Chung Meng and Pauline Tan Suat Ming are also deemed to be interested in the shares of all its subsidiaries to the extent the Company has an interest.
- TKYSB and Tan Chin Nam Sdn Bhd are the major shareholders of WST.

Thirty (30) Largest Shareholders as at 3 April 2015

Name	**No. of Shares**	**% [a]**
1. Wah Seong (Malaya) Trading Co. Sdn Bhd	250,221,662	32.2931
2. Midvest Asia Sdn Bhd	40,478,136	5.2240
3. Tan Kim Yeow Sendirian Berhad	39,154,662	5.0532
4. Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	38,175,053	4.9268
5. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	37,178,859	4.7982
6. Lembaga Tabung Angkatan Tentera	35,877,603	4.6303
7. Lembaga Tabung Haji	31,523,161	4.0683
8. HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (SG BR-TST-ASING)	17,810,952	2.2986
9. Karya Insaf (M) Sdn Bhd	16,050,423	2.0714
10. HSBC Nominees (Asing) Sdn Bhd Giancarlo Maccagno	15,987,177	2.0633

Thirty (30) Largest Shareholders as at 3 April 2015 (CONTINUED)

	Name	No. of Shares	% [a]
11.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (HK BR-TST-ASING)	13,734,542	1.7725
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Cheu Leong	12,066,666	1.5573
13.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	11,542,440	1.4896
14.	Robert Tan Chung Meng	10,965,308	1.4152
15.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	8,612,589	1.1115
16.	Micasa Investments (S) Pte Ltd	6,374,840	0.8227
17.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	6,190,011	0.7989
18.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	5,944,183	0.7671
19.	Chan Cheu Leong	5,005,589	0.6460
20.	Amanahraya Trustees Berhad Public Islamic Sector Select Fund	4,840,803	0.6247
21.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund C021 for College Retirement Equities Fund	4,602,240	0.5940
22.	Wah Seong (Malaya) Trading Co. Sdn Bhd	3,946,238	0.5093
23.	CIMB Commerce Trustee Berhad Public Focus Select Fund	3,430,251	0.4427
24.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	3,090,818	0.3989
25.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	2,737,516	0.3533
26.	Goldhill Gardens Sdn Bhd	2,727,300	0.3520
27.	Wah Seong Enterprises Sdn Bhd	2,588,705	0.3341
28.	Ranjit Singh A/L Mahindar Singh	2,479,623	0.3200
29.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	2,426,415	0.3131
30.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,338,640	0.3018
		638,102,405	**82.3519**

Note:
[a] *Based on 774,846,756 (Issued and paid-up share capital of 774,888,294 less Treasury Shares of 41,538).*

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of WAH SEONG CORPORATION BERHAD ("the Company") will be held at Perdana IV, Level 3, Cititel Hotel, 66 Jalan Penang, 10000 Penang, Malaysia on Wednesday, 3 June 2015 at 11.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. — Ordinary Resolution 1

2. Directors' fees

   (i) To approve the increase in the total Directors' fees of RM90,000.00 with effect from the financial year ended 31 December 2014. — Ordinary Resolution 2

   (ii) To approve the Directors' fees of RM375,000.00 for the financial year ended 31 December 2014. — Ordinary Resolution 3

3. To re-elect the following Director who retires pursuant to Article 110 of the Company's Articles of Association:

   (i) Chan Cheu Leong — Ordinary Resolution 4

   (ii) Pauline Tan Suat Ming who retires pursuant to Article 110 of the Company's Articles of Association, has expressed her intention to retire and hence, she shall not seek re-election and shall hold office until the conclusion of the Fifteenth Annual General Meeting of the Company.

4. To re-appoint Professor Tan Sri Lin See Yan who retires pursuant to Section 129(2) of the Companies Act, 1965 as Director of the Company and to hold office until the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. — Ordinary Resolution 5

5. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — Ordinary Resolution 6

As Special Business

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

6. **Ordinary Resolution**
   Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 — Ordinary Resolution 7

   "THAT, subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and approvals from the relevant governmental and/or regulatory bodies where such approvals shall be necessary, authority be and is hereby given to the Directors of the Company pursuant to Section 132D of the Act, to issue and allot shares from the unissued share capital of the Company from time to time upon such terms and conditions and for such purposes as may be determined by the Directors of the Company to be in the interest of the Company provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued share capital of the Company for the time being AND THAT the Directors of the Company be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in forced until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier; but any approval may be previously revoked or varied by the Company in general meeting."

7. **Ordinary Resolution**
Proposed Renewal of Authority to Buy-Back its Own Shares by the Company Ordinary Resolution 8

"THAT, subject to the provisions of the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other applicable laws, rules, orders, requirements, regulations and guidelines for the time being in force, the Directors of the Company be hereby unconditionally and generally authorised to make purchase(s) of ordinary shares of RM0.50 each in the Company's issued and paid-up share capital through Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their discretion deem fit, subject to the following:

i) the maximum number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the issued and paid-up ordinary share capital of the Company for the time being ("WSC Shares");

ii) the maximum fund to be allocated by the Company for the purpose of purchasing the WSC Shares shall not exceed the aggregate of the retained profits and share premium account of RM268,143,000.00 and RM160,246,000.00 respectively of the Company as at 31 December 2014;

iii) the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will continue in force until:

   a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
   b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
   c) revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting;

   whichever is earlier but not so as to prejudice the completion of the purchase(s) made by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the MMLR of Bursa Securities or any other relevant authorities;

iv) upon completion of the purchase(s) of the WSC Shares by the Company, the Directors of the Company be hereby authorised to deal with the WSC Shares in the following manner:

   a) to cancel the WSC Shares so purchased; or
   b) to retain the WSC Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or for cancellation subsequently; or
   c) to retain part of the WSC Shares so purchased as treasury shares and cancel the remainder; or
   d) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps that are necessary or expedient and/or appropriate to implement, finalise and to give full effect to the purchase(s) of WSC Shares with full power to assent to any conditions, variations, and/or amendments that may be imposed by the relevant authorities."

8. **Ordinary Resolution**
Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions and Provision of Financial Assistance Ordinary Resolution 9

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("WSC Group") to enter into recurrent related party transactions of a revenue or trading nature and the provision of financial assistance as specified in Section 2.5 of Part B of the Circular to Shareholders dated 12 May 2015 which transactions are necessary for the day-to-day operations in the ordinary course of business of WSC Group on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company and the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall continue to be in forced until:

i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the proposed shareholders' mandate will lapse, unless renewed by a resolution passed at the meeting;

ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

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

9. **Ordinary Resolution**
Retention of Independent Non-Executive Directors

(i) "THAT approval be and is hereby given to Halim Bin Haji Din who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." Ordinary Resolution 10

(ii) "THAT approval be and is hereby given to Professor Tan Sri Lin See Yan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than ten (10) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." Ordinary Resolution 11

10. To transact any other business that may be transacted at an Annual General Meeting of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Fifteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 81(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a Record of Depositors as at 28 May 2015 ("General Meeting Record of Depositors"). Only a Depositor whose name appears on the General Meeting Record of Depositors shall be regarded as a member entitled to attend, speak and vote at the Fifteenth Annual General Meeting or appoint proxies to attend, speak and vote on his/her behalf.

BY ORDER OF THE BOARD

WOO YING PUN (MAICSA 7001280)
Group Company Secretary
Kuala Lumpur
Dated: 12 May 2015

Notes:

1. A proxy may but need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

2. Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. Where a Member of the Company is an authorised nominee as defined under SICDA, 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. If the appointer is a corporation, the proxy form must be executed under the common seal or under the hand of its officer or attorney duly authorised in writing.

5. In order for the proxy form to be valid, it must be deposited at the Company's Registered Office at Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

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EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 7, if passed, will give authority to the Directors of the Company to issue and allot shares from the unissued share capital of the Company for such purposes as the Directors of the Company in their absolute discretion consider to be in the interest of the Company without having to convene a general meeting. This authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier; but any approval may be previously revoked or varied by the Company in general meeting.

The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate which was approved at the Fourteenth AGM of the Company held on 20 June 2014 and which will lapse at the conclusion of the Fifteenth AGM. A renewal of this authority is being sought at the Fifteenth AGM.

The authority to issue shares pursuant to Section 132D of the Companies Act, 1965 will provide flexibility and expediency to the Company for any possible fund raising involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

As such, any additional cost to be incurred or delay arising from the need to convene a general meeting to approve such issuance of shares could be eliminated.

2. Proposed Renewal of Authority to Buy-Back its Own Shares by the Company

The Ordinary Resolution 8, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase not more than ten per centum (10%) of the issued and paid-up share capital of the Company for the time being. This authority will expire at the conclusion of the next Annual General Meeting unless earlier revoked or varied by ordinary resolution passed by shareholders at a general meeting.

Please refer to Part A of the Circular to Shareholders dated 12 May 2015, which is enclosed and despatched together with the Annual Report 2014, for information pertaining to Ordinary Resolution 8.

3. Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions and Provision of Financial Assistance

The Ordinary Resolution 9, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties and the provision of financial assistance in the ordinary course of business which are necessary for the day-to-day operations based on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to Part B of the Circular to Shareholders dated 12 May 2015, which is enclosed and despatched together with the Annual Report 2014, for information pertaining to Ordinary Resolution 9.

4. Retention of Independent Non-Executive Directors of the Company in accordance with the Malaysian Code on Corporate Governance 2012

(i) Halim Bin Haji Din

Halim Bin Haji Din was appointed as an Independent Non-Executive Director of the Company on 22 May 2002, and has, therefore served the Company for more than twelve (12) years. He met the criteria of an Independent Director as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has performed his duty diligently and in the best interest of the Company and has provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise. The Board, therefore recommends that he should be retained as an Independent Non-Executive Director.

(ii) Professor Tan Sri Lin See Yan

Professor Tan Sri Lin See Yan was appointed as an Independent Non-Executive Director of the Company on 20 July 2004, and has, therefore served the Company for more than ten (10) years. He met the criteria of an Independent Director as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has performed his duty diligently and in the best interest of the Company and has provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise. The Board, therefore recommends that he should be retained as an Independent Non-Executive Director.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

1. Increase in the total Directors' fees.

The Remuneration Committee had conducted a survey to benchmark the Directors' fees of the Company with that of other public listed companies of similar size and in the similar industry and had recommended an increase of RM90,000.00 in the Directors' fees as follows to the Board of Directors. The Board of Directors had resolved to table the same under Ordinary Resolution 2 at the Fifteenth Annual General Meeting of the Company for shareholders' approval.

	Incremental in Directors' Fees (RM)
Non-Executive Chairman	20,000.00
Independent Non-Executive Directors	40,000.00
Non-Independent Non-Executive Director	10,000.00
Executive Directors	20,000.00
	90,000.00

2. Re-election and Re-appointment of Directors

2.1 Directors who are standing for re-election pursuant to Article 110 of the Company's Articles of Association

(i) Chan Cheu Leong
(ii) Pauline Tan Suat Ming who retires pursuant to Article 110 of the Company's Articles of Association, has expressed her intention to retire and hence, she shall not seek re-election and shall hold office until the conclusion of the Fifteenth Annual General Meeting of the Company. With the retirement of Pauline Tan as a Non-Independent Non-Executive Director, Daniel Yong Chen-I shall automatically cease to be her Alternate Director.

2.2 Re-appointment of Director who retires pursuant to Section 129(6) of the Companies Act, 1965

(i) Professor Tan Sri Lin See Yan

Details of attendance of Directors who are standing for re-election and re-appointment are set out as below:

Director	Directorship	Total Meetings Attended
Chan Cheu Leong	Managing Director / Group Chief Executive Officer	6/6
Pauline Tan Suat Ming	Non-Independent Non-Executive Director	6/6
Professor Tan Sri Lin See Yan	Senior Independent Non-Executive Director	6/6

Profile of the above Directors are set out in the section of Profile of Directors of the Annual Report from pages 9 to 11, while details of shareholdings of the above Directors in the Company and its related Companies are set out on pages 175 to 177 of the Annual Report.

3. Date, time and place of the Fifteenth Annual General Meeting

Date : Wednesday, 3 June 2015
Time : 11.00 a.m.
Place : Perdana IV, Level 3, Cititel Hotel, 66 Jalan Penang, 10000 Penang, Malaysia.

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WAH SEONG CORPORATION BERHAD
(COMPANY NO. : 495846-A)
(INCORPORATED IN MALAYSIA)

Number of Ordinary Shares held

PROXY FORM

I/We ____
(Full name in block letters)

NRIC or Company No. ______________________________ CDS Account No. ______________________

of ____
(Full address)

being a *member/members of WAH SEONG CORPORATION BERHAD (Company No. 495846-A) hereby appoint ______________________

______________________________ NRIC No. ______________________
(Full name in block letters)

of ____
(Full address)

or failing *him/her, ______________________________ NRIC No. ______________________
(Full name in block letters)

of ____
(Full address)

or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf, at the Fifteenth Annual General Meeting ("AGM") of the Company to be held at Perdana IV, Level 3, Cititel Hotel, 66 Jalan Penang, 10000 Penang, Malaysia on Wednesday, 3 June 2015 at 11.00 a.m. and at any adjournment thereof in the manner indicated below.

		FOR	AGAINST
Ordinary Resolution 1	To receive and adopt the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon.		
Ordinary Resolution 2	To approve the increase in the total Directors' fees of RM90,000.00 with effect from the financial year ended 31 December 2014.		
Ordinary Resolution 3	To approve the Directors' fees of RM375,000.00 for the financial year ended 31 December 2014.		
Ordinary Resolution 4	To re-elect Chan Cheu Leong who retires pursuant to Article 110 of the Company's Articles of Association.		
Ordinary Resolution 5	To re-appoint Professor Tan Sri Lin See Yan who retires pursuant to Section 129(6) of the Companies Act, 1965.		
Ordinary Resolution 6	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 7	To authorise the Directors to issue and allot ordinary shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 8	Proposed Renewal of Authority to Buy-Back its Own Shares by the Company.		
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions and Provision of Financial Assistance.		
Ordinary Resolution 10	To retain Halim Bin Haji Din as an Independent Non-Executive Director.		
Ordinary Resolution 11	To retain Professor Tan Sri Lin See Yan as an Independent Non-Executive Director.		

(Please indicate with an "x" in the space provided above as to how you wish to cast your vote. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)
* Strike out whichever not applicable

____
Signature of Member

____
Company Seal to be affixed here if Member is a Corporation

Signed this: ______________ day of ______________ 2015

Notes:

1. A proxy may but need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
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3. Where a Member of the Company is an authorised nominee as defined under SICDA, it may appoint at least one 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. If the appointer is a corporation, the proxy form must be executed under the common seal or under the hand of its officer or attorney duly authorised in writing.
5. In order for the proxy form to be valid, it must be deposited at the Company's Registered Office at Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
6. For the purpose of determining a member who shall be entitled to attend this Fifteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 81(2) of the Company's Articles of Association and Section 34(1) of SICDA, to issue a Record of Depositors as at 28 May 2015 ("General Meeting Record of Depositors"). Only a Depositor whose name appears on the General Meeting Record of Depositors shall be regarded as a member entitled to attend, speak and vote at the Fifteenth AGM or appoint proxies to attend, speak and vote on his/her behalf.

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AFFIX
STAMP

THE COMPANY SECRETARY
WAH SEONG CORPORATION BERHAD
(Company No. : 495846-A)
Registered Office:
Suite 19.01, Level 19, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Wilayah Persekutuan
Malaysia

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WAH SEONG CORPORATION BERHAD
(495846-A)

Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City,
Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia

Tel : (603) 2685 6800 Fax : (603) 2685 6999 Website : www.wahseong.com