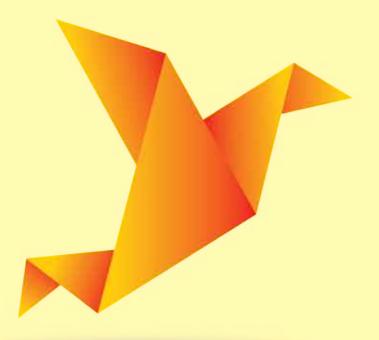


RATIONALE

Change is always upon us. The solace of change lies in the endless possibilities of opportunity, progress and success. This design employs two origami cranes leading a new sheet of colour onto the white background as a symbol of setting a new direction; embarking on a change for a better tomorrow.



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VISION

To be the leading corporation, stimulating economic growth in Selangor and beyond.



MISSION

- To venture into business activities that creates value for our stakeholders.
- To have a leading regional presence.
- To ensure sustainable financial performance with optimum returns to shareholders.
- To achieve quality standards surpassing customer's expectations.
- To enhance quality of life by being a caring, community-oriented and environmental friendly organisation.



4 Our Profile

Notice of Annual General Meeting

Group's Financial Highlights

Corporate Information

Corporate Structure



Established on 11 August 1975, Kumpulan Perangsang Selangor Berhad ("Perangsang Selangor") was listed on the main board of Bursa Malaysia Securities Berhad on 22 July 2003 with an authorised capital of RM1.0 billion and a paid-up capital of RM431.4 million. The current paid-up capital is RM499.004 million.

Perangsang Selangor, the flagship public-listed corporation of the state of Selangor, focus investment

in five core sectors namely trading, infrastructure and utility, hospitality and recreation, oil and gas as well as telecommunications.

As state-government linked investment company, Perangsang Selangor is committed towards making significant contributions to human capital, intellectual, and sustainable developments, whilst strengthening core businesses to optimise returns to shareholders.



TRADING

Perangsang Selangor holds 60% equity stake in Hydrovest Sdn Bhd, which owns 60% stake in Aqua-Flo Sdn Bhd ("Aqua-Flo").

Aqua-Flo is involved in trading of chemicals and equipment apart from providing technical services in water, waste and sewage treatment industries.

Aqua-Flo, which is associated with Taliworks Corporation Berhad, is backed by Taliworks Analytical Laboratory Sdn Bhd that owns a high-tech laboratory equipped with facilities to analyse the full spectrum of parameters stipulated in the Malaysia Drinking Water Standard and Malaysia Effluent Standard.

INFRASTRUCTURE AND UTILITY

Perangsang Selangor holds 30% equity stake in Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH") via wholly-owned subsidiary, Viable Chip (M) Sdn Bhd.

Perangsang Selangor has investments in infrastructure including 20% equity stake in the SPRINT Highway that was designed to ease traffic congestion on the western part of Kuala Lumpur and 30% equity stake in KPS-HCM Sdn Bhd, a company that is involved in road maintenance and repair for the State of Selangor.

HOSPITALITY AND RECREATION

Perangsang Selangor owns and operates Quality Hotel City Centre ("QHCC"). QHCC is located at the heart of the Kuala Lumpur city's business and commercial district and within walking distance of the entertainment, business and shopping hub.

OIL AND GAS

As part of the Strategic Plan of its growth and diversification strategy, Perangsang Selangor has ventured into the oil and gas and telecommunication sectors. Perangsang Selangor, through its wholly-owned subsidiary, Perangsang Oil and Gas Sdn Bhd, has successfully subscribed to a 40% equity stake in NGC Energy Sdn Bhd, a joint venture between Perangsang Selangor and the National Gas Company, Oman which commands the second largest market share of the liquefied petroleum gas ("LPG") business in Peninsular Malaysia.

TELECOMMUNICATIONS

For the telecommunications sector, Perangsang Selangor via wholly-owned subsidiary, Perangsang Telco Sdn Bhd, holds a 34.35% equity stake in Ceres Telecom Sdn Bhd ("Ceres"). Ceres, a collaboration between Perangsang Selangor and Virgin Mobile MEA, provides mobile voice and data telephony services, launched its first pre-paid mobile service under the Friendi mobile brand in mid-September 2013.



NOTICE OF ANNUAL GENERAL MEETING



ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.

(Please refer to Explanatory Note)

2. To approve a single tier final dividend of 2 sen per share in respect of the financial year ended 31 December 2015.

(Ordinary Resolution 1)

- 3. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:
 - a. YM Raja Dato' Haji Idris Raja Kamarudin

(Ordinary Resolution 2)

b. Encik Suhaimi bin Kamaralzaman

(Ordinary Resolution 3)

c. Encik Rosely @ Mohamed Ross bin Mohd Din

(Ordinary Resolution 4)

4. To approve the Directors' fees of RM441,589.00 for the financial year ended 31 December 2015

(Ordinary Resolution 5)

To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Ordinary Resolution 6)

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

"THAT YBhg Dato' Dr Mohamed Ariffin bin Aton who is over the age of seventy years and retiring in accordance NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of Kumpulan Perangsang Selangor Berhad will be held at the Plenary Hall, SACC Convec, No. 4, Jalan Perbadanan 14/9, 40000 Shah Alam, Selangor Darul Ehsan, on Friday, 27 May 2016 at 9.30 a.m. for the following purposes: -

with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

(Ordinary Resolution 7)

7. To approve the Proposed Amendment to the Articles of Association

"THAT the following proposed amendment to the Articles of Association of the Company be approved and adopted:

Article No.	Existing Article	Amended Article		
112	The Directors from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary. The interval between the end of the accounting reference period and the issue of the annual audited accounts and reports shall not exceed four (4) months.	The Directors from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary. The interval between the end of the accounting reference period and the issue of the annual audited accounts and reports shall not exceed four (4) months.		

AND THAT the Board of Directors of the Company be and hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendment with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities".

(Special Resolution 1)

ANY OTHER BUSINESS:

8. To transact any other business for which due notice has been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a single tier final dividend of 2 sen per share, in respect of the financial year ended 31 December 2015 if approved by shareholders at the Thirty-Ninth Annual General Meeting, will be payable on 22 August 2016 to shareholders registered in the Records of Depositors at the close of business on 25 July 2016.

A depositor shall qualify for entitlement only in respect of:

- Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 25 July 2016 in respect of ordinary shares.
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

HASHIMAH BINTI MOHD ISA (MACS 01269) SELFIA BINTI MUHAMMAD EFFENDI (MAICSA 7046782)

Joint Company Secretaries

Shah Alam 29 April 2016

Explanatory Notes on Ordinary and Special Businesses

Item I of the Agenda – Audited Financial Statements

The Agenda item is meant for discussion as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Item 7 of the Agenda – Re-appointment of Director

Pursuant to Section 129(6) of the Companies Act, 1965, the proposed Ordinary Resolution 7 is to seek shareholders' approval on the re-appointment of a Director who is over the age of seventy years.

Explanatory Note on Special Resolution

Item 7 of the Agenda – Proposed Amendment to the Articles of Association

The proposed amendment to the Articles of Association is in line with the amendment made to Chapter 7 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

Details of Individual Who Is Standing for Election as Director

No individual is seeking election as a Director at the Thirty-Ninth Annual General Meeting of the Company.

Assessment on Independent Directors

The Board has conducted assessment for the re-election of Independent Directors. Please refer to page 39 for further details.

NOTES

- 1. For the purpose of determining a member who shall be entitled to attend this Thirty-Ninth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 50(b) of the Company's Articles of Association and Section 34(l) of the Securities Industry (Central Depositories) Act 1991 of Malaysia ("Central Depositories Act") to issue a General Meeting Record of Depositors as at 19 May 2016. Only a depositor whose name appears on the Record of Depositors as at 19 May 2016 shall be entitled to attend the said meeting and to speak or vote thereat.
- 2. The proxy need not be a Member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.
- A Member of the Company, who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, may appoint more than one (1) proxy to attend and vote instead of the Member at the meeting.
- 4. Where a Member of the Company is an authorised nominee as defined on the Central Depositories Act, it may appoint more than one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- 6. Where a Member or the authorised nominee appoints more than one (1) proxy, or where an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- If the name is not inserted in the space for the name of your proxy, the Chairman of the meeting will act as your proxy.
- 7. The proxy form must be deposited at the Registrar's Office of Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time of holding the AGM or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.
- The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting, should the member subsequently decide to do so.



GROUP'S FINANCIAL HIGHLIGHTS

	2015 RM'000	2014 RM'000	2013 RM′000	2012 RM'000	2011 RM'000
1. Revenue *	285,959	314,032	315,821	348,235	422,157
2. Profit before tax and zakat *	77,106	130,270	285,750	74,885	67,113
3. Profit after tax and zakat *	58,939	117,650	266,160	60,108	45,236
4. Profit attributable to owners of the parent *	55,329	115,567	265,314	59,028	46,440
5. Paid up capital	499,004	499,004	499,004	476,956	476,824
6. Shareholders' equity	1,237,215	1,200,354	1,104,780	1,137,313	1,068,415
7. Total assets employed	1,361,988	2,808,790	2,722,090	3,454,438	3,491,731
8. Total borrowings	30,130	1,038,883	1,072,657	1,267,682	1,232,364
FINANCIAL RATIOS					
Gross dividend per share (%)	4.00	4.00	29.58	2.00	8.00
Debt / Equity (times)	0.02	0.85	0.97	1.11	1.15
Earnings per share attributable to owners of the parent (sen)	11.08	23.16	53.17	12.38	9.74
Net Assets per share attributable to owners of the parent (RM)	2.48	2.41	2.21	2.38	2.24

^{*} Include discontinued operation

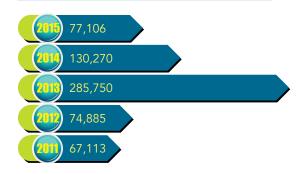
REVENUE (RM'000)



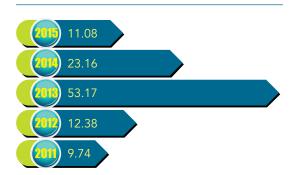
GROSS DIVIDEND PER SHARE (%)



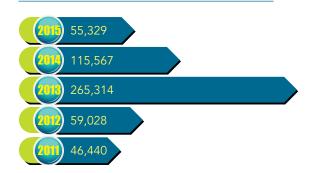
PROFIT BEFORE TAX AND ZAKAT (RM'000)



EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (SEN)



PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'000)



NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (RM)



CORPORATE VEORMATION

BOARD OF DIRECTORS

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT

Chairman

Non-Independent Non-Executive Director

ENCIK MUSTAFFA KAMIL BIN AYUB

Senior Independent Director

ENCIK SUHAIMI BIN KAMARALZAMAN

Non-Independent Non-Executive Director

YB DATO' KAMARUL BAHARIN BIN ABBAS DSSA

Independent Director

YB SIVARASA A/L RASIAH

Independent Director

YBHG DATO' DR. MOHAMED ARIFFIN BIN ATON DSSA

Independent Director

ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN

Independent Director

YBHG DATO' IDRIS BIN MD TAHIR DIMP

Independent Director

YM RAJA SHAHREEN BIN RAJA OTHMAN

Non-Independent Non-Executive Director

AUDIT COMMITTEE

YBHG DATO' IDRIS BIN MD TAHIR DIMP

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT

ENCIK MUSTAFFA KAMIL BIN AYUB

YB SIVARASA A/L RASIAH

ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN

NOMINATION COMMITTEE

ENCIK MUSTAFFA KAMIL BIN AYUB

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT **ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN** YM RAJA SHAHREEN BIN RAJA OTHMAN

YBHG DATO' IDRIS BIN MD TAHIR DIMP

REMUNERATION COMMITTEE

ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT **ENCIK SUHAIMI BIN KAMARALZAMAN**

ENCIK MUSTAFFA KAMIL BIN AYUB

YBHG DATO' DR. MOHAMED ARIFFIN BIN ATON DSSA

BOARD RISK MANAGEMENT COMMITTEE

ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT

YB SIVARASA A/L RASIAH

YBHG DATO' DR. MOHAMED ARIFFIN BIN ATON DSSA

CORPORATE SOCIAL RESPONSIBILITY BOARD COMMITTEE

YB DATO' KAMARUL BAHARIN BIN ABBAS DSSA

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT **ENCIK MUSTAFFA KAMIL BIN AYUB** YB SIVARASA A/L RASIAH

BOARD INVESTMENT REVIEW COMMITTEE

YBHG DATO' DR. MOHAMED ARIFFIN BIN ATON DSSA

YB DATO' KAMARUL BAHARIN BIN ABBAS DSSA

YB SIVARASA A/L RASIAH

ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN

YM RAJA SHAHREEN BIN RAJA OTHMAN

TENDER BOARD COMMITTEE

YB DATO' KAMARUL BAHARIN BIN ABBAS DSSA

Members

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT

ENCIK SUHAIMI BIN KAMARALZAMAN

ENCIK MUSTAFFA KAMIL BIN AYUB

ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN

JOINT COMPANY SECRETARIES

HASHIMAH BINTI MOHD ISA (MACS 01269) **SELFIA BINTI MUHAMMAD EFFENDI (MAICSA 7046782)**

REGISTERED OFFICE

16th Floor, Plaza Perangsang Persiaran Perbandaran

40000 Shah Alam Selangor Darul Ehsan

Tel : 03-5510 3999 : 03-5510 9977 Fax E-mail: info@kps.com.my

Web: www.perangsangselangor.com



PRINCIPAL BANKERS

RHB BANK BERHAD

No 16 & 18 Jalan Tengku Ampuan Zabedah D9/D Seksyen 9 40100 Shah Alam Selangor Darul Ehsan

BANK ISLAM MALAYSIA BERHAD

Tingkat Bawah Wisma PKPS Persiaran Perbandaran 40675 Shah Alam Selangor Darul Ehsan

AFFIN BANK BERHAD

Lot G17-20 Tingkat Bawah Kompleks PKNS 40000 Shah Alam Selangor Darul Ehsan

AUDITORS

MESSRS ERNST & YOUNG

Level 23A. Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur

LISTING

Bursa Malaysia Securities Berhad Main Market (22 July 2003)

SHARE REGISTRAR

SYMPHONY SHARE REGISTRARS SON BHD Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan

Tel : 03 – 7849 0777 Fax : 03 - 7841 8151 / 8152

OFFICE OF CHAIRMAN

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT Chairman

MANAGEMENT

Acting Chief Executive Officer ENCIK AHMAD FARIZ BIN HASSAN

Finance Department

PUAN SUZILA BINTI KHAIRUDDIN General Manager Finance

Group Risk Management Department
PUAN NURANISAH BINTI HAJI MOHD ANIS **Head of Group Risk Management**

Group Internal Audit Department OVERSEE BY PUAN NURANISAH BINTI HAJI MOHD ANIS

Human Resource & Administration Department **ENCIK AHMAD ROSLY BIN AHIAR Head of Human Resource & Administration**

Strategic Planning & Investment Department **ENCIK AHMAD FARIZ BIN HASSAN Head of Strategic Planning & Investment**

Group Public Relations, Media & Corporate Social Responsibility Department ENCIK NIK ÁHMAD KHUSAIRI BIN NIK IBRAHIM

Head of Public Relations, Media & Corporate Social Responsibility Group Legal Department
PUAN NINI SHAZRINA BINTI AHMAD SHAMLI

Acting Head of Group Legal

Secretarial Department
PUAN HASHIMAH BINTI MOHD ISA **Company Secretary**

Islamic Religious Department
USTAZ ZAHARUDIN BIN MUHAMMAD **Chief Religious Officer**

CORPORATE STRUCTURE

	99.87%	 CASH BAND (M) BERHAD 100% Perangsang Hotel and Properties Sdn Bhd 100% Brisdale International Hotel Sdn Bhd
	100%	VIABLE CHIP (M) SDN BHD • 30% Syarikat Pengeluar Air Selangor Holdings Berhad
	100%	PERANGSANG OIL AND GAS SDN BHD • 40% NGC Energy Sdn Bhd
ARY	100%	PERANGSANG TELCO SDN BHD • 34.35% Ceres Telecom Sdn Bhd
SIDI	100%	NADI BIRU SDN BHD
SUB	60%	HYDROVEST SDN BHD • 60% Aqua-Flo Sdn Bhd

ES ES	1
ANI	
OC/V/V/V/V/V/V/V/V/V/V/V/V/V/V/V/V/V/V/V	
NSS NOI	
AO	

40%

PERANGSANG WATER MANAGEMENT SDN BHD

30%

KPS - HCM SDN BHD

20%

SISTEM PENYURAIAN TRAFIK KL BARAT HOLDINGS SDN BHD

NOTES

The above Corporate Structure did not include the subsidiaries and associates of Perangsang Selangor which are/have in liquidation, under receivership, under official assignee, dormant and/or ceased operation. For further details, you may refer to Note 16 and 17 of the Company's Audited Financial Statements for the year ended 31 December 2015.





Profile of Board of Directors

Profile of Acting Chief Executive Officer

Heads of Department



YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN DSIS, SMT

YM Raja Dato' Haji Idris, a British citizen, aged 63, was appointed as Non-Independent Non-Executive Director and Chairman of Perangsang Selangor on 18 March 2011. He is also a member of the Audit Committee, Nomination Committee, Remuneration Committee, Board Risk Management Committee, Corporate Social Responsibility Board Committee and Tender Board Committee.

Currently, YM Raja Dato' Haji Idris sits on the board of Kumpulan Darul Ehsan Berhad ("KDEB"), the investment holding company of the State of Selangor, where he was appointed on 4 April 2011 and serves as Chairman of KDEB's property development subsidiary, Kumpulan Hartanah Selangor Berhad and Central Spectrum (M) Sdn Bhd. On 10 August 2012, he was appointed as Chairman of Ceres Telecom Sdn Bhd, a 34.35% associate of Perangsang Selangor. YM Raja Dato' Haji Idris is a member of the Institute of Financial Services, UK, a Fellow of the British Computer Society, UK and also a Fellow of the Chartered Management Institute, UK. YM Raja Dato' Haji Idris hold a Post Graduate Certificate in Strategic Management from University of Derby, UK.

In the course of his career, YM Raja Dato' Haji Idris has acquired more than thirty (30) years of experience holding top management positions in various Private Limited, Public Listed and Multi-National Companies.

From 1994 to 2000, YM Raja Dato' Haji Idris was with the Siemens Group of companies in Malaysia where he had served as Managing Director of Nixdorf Computers Malaysia Sdn Bhd and also as the Executive Director of Siemens Nixdorf Information System (Malaysia) Sdn Bhd. He was also a Non-Executive Director of Siemens Multimedia Sdn Bhd (an MSC company) and from 1998 to 2000, assumed the position of Vice President, Information & Communication Network of Siemens Malaysia Sdn Bhd.

In 2000, YM Raja Dato' Haji Idris was appointed as Group Executive Director of TDM Berhad, a Public Listed Company owned by the Terengganu State Government, a position he held until 2004. He served as the Executive Chairman of Virgo Tours Sdn Bhd from 2004 to 2006. YM Raja Dato' Haji Idris was appointed as a Consultant at the Markfield Institute of Higher Education, Leicestershire, United Kingdom, a position he has held since 2006.

He attended nine (9) Board Meetings of the Company held during the financial year ended 31 December 2015.



Encik Mustaffa Kamil bin Ayub, a Malaysian, aged 53, was appointed to the Board of Perangsang Selangor as an Independent Director on 1 November 2009. He is currently the Chairman of the Nomination Committee, a member of the Audit Committee, Remuneration Committee, Corporate Social Responsibility Board Committee and Tender Board Committee.

He graduated with a Bachelor in Biology, Genetics (Hons) from Universiti Kebangsaan Malaysia in 1987. He obtained an Advanced Diploma in Education (Hons) from International Islamic University in 1989. In 1994, he graduated with an Advanced Diploma in Islamic Finance (Hons) from Institut Pengajian Ilmu-Ilmu Islam. He later obtained a Masters in Political Science from Universiti Kebangsaan Malaysia in 2003. He has been a member of the Institut Integriti Malaysia and the President of Institut Masyarakat Madani since 2007.

In 1988, he began his career at Yayasan Anda Akademik and SM Sultan Abdul Samad as a teacher for two years. He was an Assistant Registrar for International Islamic University from 1989 to 1993 and appointed as Head of Leadership Training Department from 1993 to 1995. Between 1995 to 1998, he was a Political Secretary to the Minister of Youth and Sports Malaysia and as a businessman in 1998 to 2005.

He attended eleven (11) Board Meetings of the Company during the financial year ended 31 December 2015.



ENCIK SUHAIMI BIN KAMARALZAMAN

Non-Independent Non-Executive Director

Encik Suhaimi bin Kamaralzaman, a Malaysian, aged 48, was appointed as Director of Perangsang Selangor on 14 April 2011. He was previously the Group Chief Executive Officer/Managing Director of Perangsang Selangor Group, a position he held until 1 September 2015 where he was re-designated to Non-Independent Non-Executive Director on the even date. He is currently a member of the Remuneration Committee and Tender Board Committee.

He holds a Bachelor of Arts in Accounting and Management Science, University of Kent at Canterbury, United Kingdom and a Member of the Malaysian Institute of Accountants and Institute of Chartered Accountants in England and Wales (ICAEW).

Encik Suhaimi holds the position President of Kumpulan Darul Ehsan Berhad ("KDEB"), the immediate holding company of Perangsang Selangor, since 10 May 2011. Encik Suhaimi is also the Chief Executive Officer of Pengurusan Air Selangor Sdn Bhd, a wholly owned subsidiary of KDEB. Prior to joining the KDEB group of companies, Suhaimi was the MD/CEO of Melewar Industrial Group ("MIG") from March 2010 until May 2011. Prior to his appointment as the MD/CEO of MIG, he was the Deputy Chief Executive Officer of MIG from July 2009.

From 1 January 2007 to 30 June 2009, Suhaimi was the Chief Executive Officer of Pengurusan Aset Air Berhad ("PAAB"). During his tenure at PAAB, he successfully signed the acquisition of the water assets for Melaka, Negeri Sembilan and Johor.

From August 2000 to December 2006, Suhaimi was the Chief Executive Officer of Indah Water Konsortium Sdn Bhd ("IWK"). In 2005, Malaysian Water Association awarded IWK the Malaysian Water Award for Management Excellence in total water management and operational efficiencies.

In 1998, he was an Accountant to the National Economic Action Council ("NEAC"). Before joining NEAC, he was with Arthur Andersen, Malaysia from 1996 to 1998 and also the Malaysia's national oil corporation, PETRONAS between 1994 and 1996. He started his career with Blick Rothenberg Chartered Accountants as Auditor from 1991 to 1994.

Currently, he sits on the Board of KDEB and Kumpulan Hartanah Selangor Berhad.

He attended seven (7) Board Meetings of the Company held during the financial year ended 31 December 2015.



YB Dato' Kamarul Baharin bin Abbas, a Malaysian, aged 69, was appointed to the Board of Perangsang Selangor as an Independent Director on 16 June 2010. He is currently the Chairman of the Corporate Social Responsibility Board Committee, Chairman of the Tender Board Committee and a member of the Board Investment Review Committee. He graduated with a Diploma in Business Studies from Universiti Teknologi MARA (formerly known as Institut Teknologi MARA). Later, he obtained Diploma in Marketing (UK) and became a Member of Institute of Marketing (UK).

He began his career in 1968 as a Marketing Executive at Nestle Products (M) Ltd. In 1971 to 1974, he was a Sales Manager at Pernas Trading Sdn. Bhd. From thereon, he was involved in activities of building construction and property development. He was appointed as Executive Chairman of Tenaga Ehsan Sdn Bhd in 1987 up to this day and responsible for developing Taman Ehsan in Kepong, and Taman Samudra in Batu Caves, Selangor, consisting of more than 5000 units of houses/apartments/shop houses. He is presently a 2 - term Member of Parliament for Telok Kemang, Negeri Sembilan and also a 2 - term Member of Public Accounts Committee (PAC).

Currently, he sits on the Board of Cash Band (M) Berhad. He attended ten (10) Board Meetings of the Company during the financial year ended 31 December 2015.



YB SIVARASA A/L RASIAH

YB Sivarasa a/l Rasiah, a Malaysian, aged 60, was appointed to the Board of Perangsang Selangor as an Independent Director on 16 June 2010. He is currently a member of the Audit Committee, Board Risk Management Committee, Corporate Social Responsibility Board Committee and Board Investment Review Committee.

He graduated with a Bachelor of Science in Genetics with a First Class Honours from Universiti Malaya in 1979. In 1980, he was awarded a Rhodes Scholarship and later obtained a Bachelor of Arts in Jurisprudence from St. Anne's College, Oxford University. Subsequently, he obtained his Barrister at Law qualification from the Middle Temple in London.

Upon his return to Malaysia in 1986, he chambered at Messrs. Zain & Co. and was called to the Malaysian Bar in

1987. He served at Messrs. Zain & Co. from 1987 to 1992. In early 1992, he set up his own practice under the name of Messrs. Sivarasa & Associates, and then merged the practice with the firm Messrs. Daim & Gamany in 1995. He has been the prime and managing partner in the said firm from then to date. From 1997 to 2001, he was elected as a member of the Bar Council. He is presently a Member of Parliament for Subang, Selangor.

Currently, he sits on the Board of Syarikat Pengeluar Air Selangor Holdings Berhad.

He attended ten (10) Board Meetings of the Company during the financial year ended 31 December 2015.



YBhg Dato' Dr. Mohamed Ariffin bin Aton, a Malaysian, aged 70, was appointed to the Board of Perangsang Selangor as an Independent Non-Executive Director on 10 May 2011. He is currently the Chairman of Board Investment Review Committee, a member of Board Risk Management Committee and Remuneration Committee.

He holds a Doctorate in Chemical Engineering from University of Leeds, United Kingdom and graduated with Bachelor of Science (Hons) in Chemical Engineering from University of Surrey, United Kingdom.

From 1970 to 1972, he began his career as Process Engineer at Esso Malaysia Berhad. Between 1972 to 1975, he became a Tutor at Universiti Kebangsaan Malaysia. Later in 1989 to 1996, he assumed the position

of Managing Director of Petronas Research and Scientific Services Sdn Bhd. In 1996, he was appointed as President/ Chief Executive Officer of SIRIM Berhad, a position he held until 2007.

Currently, he is a Non-Independent Non-Executive Chairman of Perisai Petroleum Teknologi Berhad and a Non-Independent Non-Executive Director of Heitech Padu Berhad.

He attended eleven (11) Board Meetings of the Company held during the financial year ended 31 December 2015.



ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN

Independent Director

Encik Rosely @ Mohamed Ross bin Mohd Din, a Malaysian, aged 64, was appointed to the Board of Perangsang Selangor as an Independent Director on 10 May 2011. He is currently the Chairman of the Board Risk Management Committee and Remuneration Committee and a member of the Audit Committee, Board Investment Review Committee, Nomination Committee and Tender Board Committee.

He completed his Banking Diploma (Part 1) from The Institute of Bankers, United Kingdom while working as a Trainee in HSBC London.

Mohamed Ross joined HSBC Bank Malaysia Berhad in 1972 and served in various capacities ranging from Corporate and Retail Banking to Branch and Area Management. He also served as Head of Treasury & Foreign Exchange and was also Head of Group Audit Malaysia between 1987 and 1996. During this period, he also worked for a short spell in Hong Kong, London and New York in the areas of Foreign Exchange & Treasury and Audit. In his last appointment prior to his retirement from HSBC Bank Malaysia Berhad on 31 December 2007, he was Managing Director (since 2003) of the HSBC Amanah onshore business franchise in Malaysia and was

responsible for the Islamic retail and corporate business emanating from the branch network. On retirement, he was appointed as Senior Advisor and Executive Director in HSBC Amanah Takaful (Malaysia) Sendirian Berhad from 1 January 2008 to 31 December 2008.

Mohamed Ross is currently an Independent Non-Executive Director of HSBC Amanah Malaysia Berhad, where he chairs the Risk Committee and also sits on the Audit and Nominating Committees. Presently, he sits on the Board of Cash Band (M) Berhad.

He is a Council Member of the Outward Bound Trust of Malaysia and also sits on an Advisory Board overseeing a Private Equity Fund (Ekuinas OFM Program) as an independent member. He is also a member of the Board of Trustees of Lembaga Zakat Selangor.

He attended eleven (11) Board Meetings of the Company held during the financial year ended 31 December 2015.



YBhg Dato' Idris bin Md Tahir, a Malaysian, aged 62, was appointed to the Board of Perangsang Selangor as an Independent Director on 15 August 2013. He is currently the Chairman of the Audit Committee and a member of the Nomination Committee.

He graduated from The Chartered Institute of Management Accountants (CIMA), United Kingdom in 1983 and subsequently admitted to Fellowship in 1995. He was elected as Council Member of the Malaysia CIMA Division from 2007 to 2012. He is also a member of the Malaysian Institute of Accountants and former member of the Institute of Internal Auditors.

He started his career with Bank Negara Malaysia (Central Bank of Malaysia) as an Executive Officer of the Investment Department from 1978 until 1983, before joining Bank Islam Malaysia Berhad (BIMB) as one of the pioneer group in establishing the first Islamic Bank in Malaysia. In his 29 years of service with BIMB Group of Companies, he held various senior managerial and Chief Internal Auditor posts involving various Islamic Financial activities which include Islamic banking, Takaful (Islamic Insurance), Ijarah (Islamic Leasing), Wakallah (Islamic Nominees), Islamic Asset Management and Islamic Stockbroking. His last

post was as an Executive Director/Chief Executive Officer of BIMB Securities Sdn Berhad, an Islamic stockbroking company, before his retirement in 2012.

Currently, he sits on the Board of Syarikat Pengeluar Air Selangor Holdings Berhad. He also sits on the Board and Board of Trustee of various Selangor State Governmentlinked companies.

He attended eleven (11) Board meetings of the Company held during the financial year ended 31 December 2015.



YM RAJA SHAHREEN BIN RAJA OTHMAN

Non-Independent Non-Executive Director

YM Raja Shahreen bin Raja Othman, a Malaysian, aged 49, was appointed to the Board of Perangsang Selangor as Non-Independent Non-Executive Director on 31 March 2015. He is currently a member of the Nomination Committee and Board Investment Review Committee.

He graduated with a Bachelor Degree in Accounting from La Trobe University, Melbourne Australia in 1989. He became a member of Australia Society of Certified Practising Accountants in 1991. He is also a member of the Malaysian Institute of Accountants since 1992. He completed the Harvard Senior Management Development Programme organised by the Harvard Business School in 2006.

He began his career in Ernst & Young in 1989 before he assumed the position as Director in 2000 and continue serving until 2004. He then served for Pos Malaysia

Berhad as Chief Financial Officer from 2004 until August 2007 before pursuing his career as General Manager cum Chief Financial Officer/Company Secretary at Oman Oil Marketing Company SAOG from November 2007 to 2013. Prior to joining Menteri Besar Selangor (Incorporated) ("MBI"), he was the Chief Financial Officer in Oil & Gas Company. Currently, YM Raja Shahreen holds the position of Chief Executive Officer of MBI since 1 December 2014.

YM Raja Shahreen is currently a board member of Kumpulan Darul Ehsan Berhad, Permodalan Negeri Selangor Berhad and an Alternate Director to Encik Soffan Affendi bin Aminudin in the Board of Kumpulan Hartanah Selangor Berhad.

He attended eight (8) Board meetings of the Company held during the financial year ended 31 December 2015.

PROFILE OF ACTING CHIEF EXECUTIVE OFFICER



AHMAD FARIZ BIN HASSAN

Acting Chief Executive Officer

Ahmad Fariz bin Hassan, a Malaysian, aged 39, was appointed as Acting Chief Executive Officer of Perangsang Selangor in September 2015. Prior to that, he was Perangsang Selangor's Head of Strategic Planning and Investment.

His wealth of experience in investment and business management came from his time serving various companies involved in private equity, food & beverage, banking, and property development.

He started his career in internal audit and risk management in June 2000 at MK Land Holdings Berhad. In January 2003, he joined the Corporate Governance Division of Malaysian Resources Corporation Berhad before starting his career in the banking sector when he was with the Treasury Operation Division of CIMB Investment Bank in September 2003.

In June 2005 he was transferred to CIMB Private Equity, one of the largest private equity house in South East Asia. He was involved in the whole spectrum of private equity activities ranging from fund raising, investment evaluation and structuring of transactions, post investment

monitoring including being appointed to the Board of Directors of its investee companies as well as execution of divestment initiatives of the investee companies. His investee companies were operating in the oil and gas, food and beverage and agriculture sector.

He joined Ekuiti Nasional Berhad ("Ekuinas") in February 2010, as an Investment Manager where he was involved in the acquisition of food and beverage companies owned by Ekuinas under Integrated Food Group. He was later seconded to Cosmo Restaurants Sdn Bhd ("Cosmo"), the franchise owner of the Burger King brand, where he served as the Chief Operating Officer until December 2014. In Cosmo, he was responsible in developing the Burger King brand and expanding its presence in Malaysia.

He joined Khazanah Nasional Berhad as Senior Vice President (Investment) before joining Perangsang Selangor.

Ahmad Fariz holds a Bachelors Degree in Accountancy from Universiti Teknologi MARA.

NOTE:

Other than disclosed in the profile of Board of Directors and Acting Chief Executive Officer, all the Directors and Acting Chief Executive Officer do not have any family relationship with any Director and/or major shareholder of the Company. They have no personal interest in any business arrangement involving the Company. They have no convictions for any offences within the past ten (10) years.



HEADS OF DEPARTMENT





- 1 ENCIK AHMAD FARIZ BIN HASSAN
 Acting Chief Executive Officer
 And Head of Strategic Planning &
 Investment
- Human Resource Department
 ENCIK AHMAD ROSLY BIN HAJI AHIAR
 Head of Human Resource
- 3 Secretarial Department
 PUAN HASHIMAH BINTI MOHD ISA
 Company Secretary
- Group Public Relations, Media &
 Corporate Social Responsibility Department
 ENCIK NIK AHMAD KHUSAIRI BIN
 NIK IBRAHIM
 Head of Public Relations, Media &

Corporate Social Responsibility

- 5 Group Legal Department
 PUAN NINI SHAZRINA BINTI
 AHMAD SHAMLI
 Acting Head of Group Legal
- Group Risk Management Department
 PUAN NURANISAH BINTI
 HAJI MOHD ANIS
 Head of Group Risk Management
- 7 Finance Department
 PUAN SUZILA BINTI KHAIRUDDIN
 General Manager Finance
- 8 | Islamic Religious Department USTAZ ZAHARUDIN BIN MUHAMMAD Chief Religious Officer



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CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

SETTING NEW DIRECTION

On behalf of the Board of Directors, I am delighted to announce in this report that 2015 marks the end of our 4 year Corporate Turnaround Plan ("CTP"). The CTP which includes initiatives to rationalise the business model, strengthening the corporate structure and acquiring new business, sets the stage for Kumpulan Perangsang Selangor Berhad ("Perangsang Selangor"). Our performance in 2015 reflects the benefits of our consistent and successful strategies,

which had enabled us to rescale and reposition our business in order to take advantage of opportunities for growth as the economic conditions improve.

The theme "Setting New Direction" is most apt for our 2015 Annual Report, as we focus on the next milestone in the course of redefining the way we invest in businesses with growth opportunities and drive for improved internal efficiencies as well as cost reduction.



GROUP FINANCIAL PERFORMANCE

For the financial year ended 31 December 2015, the Group recorded a marginal revenue reduction of RM2.6 million from RM87.7 million in 2014 to RM85.10 million from our continuing operations. This reduction was due to lower revenue recorded by hospitality sector and investment holding by RM7.1 million and RM3.0 million respectively in 2015. However, the reduction was mitigated by higher revenue of RM7.5 million contributed by trading sector.

Revenue contribution from the trading sector increased by 13.5%, from RM55.02 million in 2014 to RM62.47 million in 2015. The strong performance from this sector was due to higher sale of chemicals and equipment during the year. The 34% decrease in revenue of the hospitality sector compared to 2014 was attributed to closing down of our hotel operations in line with our rationalisation plan. Whereas, lower revenue from investment holding by 25% was due to lower management fees and rental income.

Our consolidated profit after tax and zakat reduced to RM58.94 million from RM117.65 million during the corresponding period, mainly attributable to lower share of profit from associated companies and recognition of loss on disposal arising from the completion of the disposal of Titisan Modal (M) Sdn Bhd ("TMSB").

For the financial year ended 31 December 2015, the results of TMSB's Group under the infrastructure and utilities sector have been classified under discontinued operations as the Company has completed the disposal of its entire equity interest in TMSB in December 2015.

SECTOR	REVENUE (RM'000)		
	2015	2014	
CONTINUING OPERATIONS			
Trading	62,474	55,019	
Hospitality	13,748	20,805	
Investment holding	8,879	11,876	
	85,101	87,700	
DISCONTINUED OPERATIONS Infrastructure &			
utilities	200,858	220,772	
Golf club and recreational facilities		5,560	
Total	285,959	314,032	

DIVIDEND

Perangsang Selangor's dividend payment to shareholders has been consistent over the years. The net dividend payment had been consistent between 2 sen to 4 sen per share, with exception in 2013 where special dividend was paid at 25.58 sen per share. We have rewarded shareholders with special dividend in appreciation of their continuous support to corporate exercises carried out by the Group.

The Board continues to maintain a conservative approach in allotting dividend payment, as we need to strike a balance between ensuring availability of sufficient fund to support continuous growth of our businesses and offering reasonable returns to our valued shareholders.

For financial year ended 31 December 2015, the Board recommends a final dividend of 2 sen per share, subject to shareholders' approval at the Annual General Meeting.

CORPORATE DEVELOPMENT

The key initiatives underpinning the strategies continue to progress as planned. With a dedicated new management line-up as the driving force, we have recorded sterling performance in the trading sector that saw an increase from an average growth of 11 % per annum between 2010 and 2014 to 13.5% in 2015. The infrastructure and utilities sector, which contributed to 30% of the total revenue in 2010, is irrefutably the main revenue earner contributing 70% to the total revenue in 2015.

Pursuant to the Selangor State Government's consolidation of the water services sector in Selangor, Kuala Lumpur and Putrajaya, the year marks a significant turning point in setting the new direction as Perangsang Selangor divested its investments in Konsortium ABASS Sdn Bhd ("ABASS") with the completion of the sale of TMSB, which owns 100% equity stake in ABASS.

The divestment has resolved Perangsang Selangor Group's financial obligations towards the repayment of the Group's borrowings, as exhibited in the significant reduction of the Group's borrowings from RM1.04 billion to RM30.13 million or a reduction in gearing ratio from 0.87 times to 0.02 times.

The joint development with a subsidiary of S P Setia Berhad for the re-development of Perangsang Templer Golf Club ("PTGC") into an environmentally friendly, eco-themed residential township is expected to contribute positively to the Group's performance upon its launch in 2016.

Our business is built on strong foundations and strategic growth plans are designed to set the Company up for continuing success into the years ahead. Amidst the tough economic backdrop, we will leverage on our solid fundamentals and resilient nature to deliver growth and enhance shareholders' values.

SECTORAL REVIEW

Trading Sector

Our revenue from Aqua-Flo Sdn Bhd's ("Aqua-Flo") sale of chemicals for the portable water industries, including in East Malaysia have increased by 13.5% from RM55.02 million in previous year to RM62.47 million in 2015.

The steady growth in this sector was attributed to the increased demand for equipment used in water treatment plants and wastewater treatment sector provided by Aqua-Flo.

Aqua-Flo is involved in trading of chemicals and equipment, as well as providing technical services in water, waste and sewage treatment industries.

Hospitality and Recreation Sector

As part of our hospitality and recreation sector rationalisation plan, we have ceased operation of the Brisdale International Hotel ("BIH") in April 2015 and PTGC in January 2015.

The above rationalisation has resulted in lower revenue generated by this sector from RM26.37 million in 2014 to RM13.75 million in 2015, representing 48% reduction in revenue.

However, we expect higher return from the hospitality and recreation sector from the proposed redevelopment of PTGC in Templer Park into an eco-themed township project, which is expected to take off in 2016.

Oil and Gas Sector

Perangsang Selangor's wholly owned subsidiary Perangsang Oil and Gas Sdn Bhd that owns 40% of NGC Energy Sdn Bhd ("NGC Energy"), is well positioned to be a leading supplier of Liquefied Petroleum Gas ("LPG") under the "Mira" brand.

NGC Energy, a joint venture with Oman-based National Gas Company Societe Anonyme Omanaise General ("National Gas Co SAOG"), commands 25% of Malaysia's LPG market share for domestic, commercial as well as

small and medium enterprise sectors. For the year, NGC Energy contributed RM1.67 million share of profit or 13% increase from 2014.

Telecommunications Sector

Perangsang Telco Sdn Bhd remains optimistic in the telecommunication sector in view of the high demand of mobile telecommunications services. Perangsang Selangor, through Perangsang Telco Sdn Bhd holds 34.35% stake in Ceres Telecom Sdn Bhd ("Ceres").

Ceres had rolled out its strategic initiatives in 2015 in order for them to be competitive amongst the industry players. Ceres had shown positive results from the initiatives undertaken. Ceres contributed lower share of losses of 19% for the year to RM2.78 million from RM3.44 million in 2014.

Infrastructure and Utility Sector

This sector has contributed a profit before tax and zakat of RM139.77 million in 2015, a 10% reduction as compared to 2014. This is mainly attributed to lower share of profit from Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH"). SPLASH has contributed share of profits of RM103.85 million in 2015, recording a 31% decrease from RM151.60 million in 2014. The lower contribution was due to higher impairment loss on

trade receivables and the impact of IC Interpretation 12 Service Concession Arrangements. Perangsang Selangor holds 30% equity stake in SPLASH.

Perangsang Selangor holds 20% equity stake in Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT"), the highway operator for the 26.5km Kerinchi Link, Damansara Link and Penchala Link. For the year 2015, SPRINT contributed RM5.91 million share of profit as compared to RM2.05 million share of losses in 2014, as a result of toll rates hike in 2015.

AWARDS AND ACCOLADES

Perangsang Selangor's commitment towards excellence is recognised locally and internationally. The Group's corporate social responsibility ("CSR") initiatives have gained international recognition in 2013 and 2015.

The Group's commitment towards providing comprehensive entrepreneurship training and initial seed funding to promote productivity and spur Selangor's economic growth received the coveted "Asia Responsible Entrepreneurship Awards 2015" under the "Social Empowerment 2015" category on 19 June 2015 in Macau. This is the second award received by Perangsang Selangor under the same category within a span of two years.



Perangsang Selangor's good governance to promote integration of sound risk management standards into business processes to enhance the overall growth and survival of an organisation won third place in the "2015 Risk Manager of The Year" category at the International Risk Management Conference 2015 held at Langkawi Resorts World. The award was presented by the Malaysian Association of Risk Management.

MOVING FORWARD IN 2016

The outlook for the water services sector is expected to be positive with opportunities arising from the State Government's consolidation exercise to provide a holistic water services in Selangor, Kuala Lumpur and Putrajaya.

In the light of this opportunity, Perangsang Selangor, through a wholly owned subsidiary Nadi Biru Sdn Bhd ("Nadi Biru"), has ventured into the water pipe replacement business. Nadi Biru has acquired a 51% stake in Smartpipe Technology Sdn Bhd with an investment of RM5.1 million to offer integrated solutions to facilitate maintenance of water distribution systems.

Perangsang Selangor is continuously assessing business opportunities to further bolster its financial performance. We are actively engaging potential partners and positive on the outlook even with the current challenging business environment.

We work well in complex environments where we take a long-term view and integrate our operations with regulatory authorities to get the best result for all stakeholders. It is of the utmost importance to us that Perangsang Selangor is viewed as the preferred partner and builder of businesses as we emphasise on creating value in the companies that we invest.

We will continue to demonstrate adaptability and resilience as well as pursue opportunities that position Perangsang Selangor for sustainable growth and value creation. This is a company where emphasis is placed on building sustainable businesses in every sense and where decisions are not driven by short term considerations.

ACKNOWLEDGEMENT

It has been a year of progress strategically, operationally and financially. There is, however no complacency as we continue to focus our efforts towards further improving the Company's overall performance that you expect and deserve.

In transforming our business and preparing for a future in a changing sector, we are indebted to our people. On behalf of the Board, I would like to thank all our employees and partners for their very considerable efforts in the past years. I look forward with confidence to your Company's response to further improvements in the year ahead.

To my fellow Directors, thank you for your undivided support, brilliant ideas, sound advice and solid commitment towards making the Group a key industry player in the state of Selangor.

VM PA IA DATO/ HA II IDDIS DA IA KA

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN Chairman





PROFIT BEFORE TAX & ZAKAT MILLION PROPOSED DIVIDEND PER SHARE







RECREATION



INFRASTRUCTURE & UTILITY





TELECOMMUNICATIONS



CORPORATE SOCIAL RESPONSIBILITY

In pursuit of sustainable business excellence and growth, Perangsang Selangor is committed to ensuring all our Corporate Social Responsibility (CSR) programmes yield desired results.

As a responsible corporate entity, having meaningful relationship with the people of Selangor is our top priority. Our CSR social development programmes are drawn to complement the Selangor State's "People-Based Economy" agenda.

The programmes are catered towards contributing to and engaging with stakeholders encompassing consumers, employees, and the community at large.

Perangsang Selangor spent RM5 million on CSR programmes in 2015, reflecting our commitment towards stimulating economic growth whilst promoting better

encompassing among others education, social wellbeing, and religious programmes, apart from contributing towards community enhancement and assistance through donations, contributions and social events.

Perangsang Selangor received the coveted "Asia Responsible Entrepreneurship Awards 2015" in the "Social Empowerment 2015" category on 19 June 2015 in recognition of our CSR programmes.

The award serves as a testimony to our commitment towards providing comprehensive entrepreneurship training and initial seed funding to promote productivity, and help spur Selangor's economic growth.

In 2015, Perangsang Selangor spent RM1.186 million on Selangor Sports Stimulus Programme (SSS) aimed at promoting healthy lifestyle and inculcate sports culture among students and youths.



quality of life in line with our caring, responsible and community-oriented policy to promote social development.

Our CSR activities include Selangor Sports Stimulus Programme, Career Stimulus Programme for People of Selangor, Selangor Entrepreneurship Stimulus Programme and Selangor Community Responsibility Programme Through our "Sports for All" initiative, we inculcate interest in bowling, badminton, swimming, cycling, football and squash.

Apart from organising sports clinic and workshops, we also groomed the Perangsang Elite Squad, and sponsor two major football tournaments.

Our sports clinic and workshops attracted 2,000 participants from all over Selangor.

Through the Perangsang Elite Squad training programme, we have groomed 112 talented athletes who went on to

garner 179 Gold, 124 Silver and 131 Bronze medals in various tournaments and competitions held in 2015. This commendable achievement reflects the success of the SSS programme.

Perangsang Selangor also sponsored RM100,000 towards "HRH Raja Muda of Selangor Cup" tournament aimed at promoting football development among pupils under the age of 12. The tournament attracted 576 players from 32 primary schools under Petaling Perdana and Petaling Utama education district offices.

YAM Tengku Dato' Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah graced the final match and presented the coveted trophy to the champion on 5 November 2015.

Another RM150,000 was spent on "Dato' Mokhtar Dahari Cup" tournament that attracted 576 players below the age of 18 from 33 secondary schools under ten district education offices in Selangor.

The Right Honourable Selangor Menteri Besar Dato' Seri Mohamed Azmin Ali presented the coveted trophy to the champion on 11 October 2015.

Both tournaments were seen as platforms to produce potential champions who can in future represent Selangor and Malaysia in major football tournaments.









In 2015, Perangsang Selangor spent RM500,000 on entrepreneurial development training courses in various field including Livestock Entrepreneurship, Fast Printing, Tailoring, Islamic Pilgrimage Guide, Childcare, Building Contractor, Food Entrepreneurship (laksa & cendul), Mobile Spa and Air-conditioning Maintenance.

The courses attracted 260 participants from Selangor, comprising youths, retirees, single mothers, and underprivileged members of the society who were given the opportunity to excel and succeed as entrepreneurs.



SELANGOR ENTREPRENEURSHIP STIMULUS PROGRAMME

We provided RM1.3 million in "seed fund" or initial capital as well as tools in support of new and existing entrepreneurs to help them forge ahead in the business sector.

Assistance in cash and kind were accorded to 180 entrepreneurs from various backgrounds participating in our entrepreneurship stimulus programmes.

The programmes benefited fresh graduates, single mothers, youths and underprivileged members of the society. Priority for financial assistance given to those involved in livestock, printing, bakery, tailoring, and mobile spa businesses.

Such programmes bear evidence to our commitment and determination in upgrading the standard of living of the community, and boosting the state's economic development.

SELANGOR COMMUNITY RESPONSIBILITY PROGRAMME

Perangsang Selangor spent RM1.763 million for Selangor Community Responsibility Programme in 2015.

Apart from organising education, wellbeing, religious programmes, we also focus on activities promoting community enhancement and provide assistance through donations, contributions and social activities.

Wellbeing, Healthcare and Medical Assistance

As part of our initiative to promote healthy lifestyle, Perangsang Selangor provided RM115,000 in financial assistance to subsidise organic produce for Fenton Medicine, an alternative medical treatment.

In 2015, 74 patients suffering from chronic diseases such as stroke, diabetes, hypertension and gout, underwent this non-toxic and non-invasive therapy.

Education

Through the "Selangor Government-Linked Companies Education Fund", Perangsang Selangor has since 2011 assisted employees and their children pursuing higher education.





Perangsang Selangor has also contributed RM48,000 to Pusat Jagaan Terapi Autistik Nouri, Selayang, Selangor in aid of 20 needy teenagers with various conditions including autism, Down Syndrome, Attention Deficit Hyperactivity Disorder (ADHD) and other illnesses affecting their learning curve.

Islamic Religious Activities

Perangsang Selangor contributed RM400,000 in support of Islamic religious activities for the benefit of the Muslim community in Selangor.

Activities held in 2015 include religious discourse, Islamic management talks, Qiammullail, Iftar and Moreh and mass recital of Al-Quran during the month of Ramadhan.



Employee Emergency Assistance Fund

Perangsang Selangor provided RM250,000 under the Employee Emergency Assistance Program (EEAP) in aid of victims of unforeseen catastrophe including natural disaster, and those in need of funds during emergency medical needs.

Donations and contributions

Our contributions and sponsorship programmes are extended to individuals, charitable organisations and non-government organisations.

A total of RM667,900 was allocated to provide monetary assistance and other forms of aid to the underprivileged members of the society.



CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES





Statement of Corporate Governance

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Audit Committee Report

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors ("the Board") and Management of Kumpulan Perangsang Selangor Berhad ("Perangsang Selangor" or "Company") recognise the exercise of good corporate governance in conducting the business and affairs of the Company with integrity, transparency and professionalism as a key component for the Company's continued progress and success. These will not only safeguard and enhance shareholders' investments and value but will at the same time foster business sustainability and growth.

A testament to Perangsang Selangor's commitment on Corporate Governance, Perangsang Selangor had scored an average of 75.42% mark across six (6) Principles of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") evaluated, compared with the average scores of 65.83% for 300 listed issuer based on the Analysis of Corporate Governance Disclosure in Annual Report 2012-2013 issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board/Management will continue to endeavour its efforts in evaluating its governance practices in response to the evolving best practices and the changing requirements.

As a public listed company listed on the Main Market of Bursa Securities, Perangsang Selangor is guided by the following statutory and non-statutory documents:-

- Companies Act 1965 ("CA").
- The MCCG 2012 issued by Securities Commission Malaysia.
- Bursa Securities Main Market Listing Requirements ("Bursa Securities MMLR").
- Corporate Governance Guide (Second Edition) issued by Bursa Malaysia Berhad.

A. BOARD OF DIRECTORS

1. Board Responsibilities

The Board of the Company takes full responsibility for the performance of the Group. The Board guides the Company on its short and long term goals, providing advice and devising strategies on management and business development issues, and monitoring the Management's performance in implementing them.

The Board has been entrusted to discharge its fiduciary duties and it has an overall responsibility for the corporate governance practices of the Group, including amongst others, reviewing and adopting a strategic plan for the Group, proper management of business, establishing sound risk management policies and ensuring adequacy and integrity of the system of internal controls, having in place a proper succession planning and implementing an appropriate investors' relationship programme.

The Board reserves the right to make decisions with respect to areas significant to the Group's business operations, which include the approval of corporate plans and annual budgets, announcements of interim results, material acquisitions/disposals of business and/ or assets, approval of major capital expenditure projects, consideration of significant financial matters, significant policies, appointments to the Board and changes to the key management and control structure within the Group.

Another dimension of the responsibility entrusted on the Board is overseeing the risk framework of the Company whereby the Company notifies the Audit Committee and the Board on areas of risks faced by the Company from the high to low level, adequacy of control and mitigation throughout the Company.

2. Board Charter

The primary objective of the Company's Board Charter ("Charter") is to set out the roles and responsibilities of the Board of Directors. The Board is guided by the Charter which provides reference for Directors in relation to the Board's role, powers, duties and functions. Apart from reflecting the current best practices and the applicable rules and regulations, the Charter also outlines processes and procedures for the Board and their committees to be effective and efficient. The Board will regularly review the Charter to ensure it remains consistent with the Board's objectives and responsibilities, and all the relevant standards of corporate governance.

The Charter can be found from the Company's Corporate website at www.perangsangselangor.com

3. Board Composition and Balance

The Board, led by a Non-Independent Non-Executive Chairman, consists of nine (9) Non-Executive Directors, six (6) of whom are Independent Directors. The high proportion of Independent Directors provides for effective check and balance in functioning of the Board.

The Directors include professionals in the fields of economics, finance, business and marketing, accounting, legal, engineering and banking. This wide spectrum of skills and experience provide the strength that is needed to lead the Company to meet its objectives and enable the Company to rest in the firm control of an accountable and competent Board.

The profile of all the Directors are set out from page 14 to 22 of this Annual Report.

The current composition of the Board complies with the Bursa Securities MMLR and recommendation of the MCCG 2012. The composition of the Board shall be reviewed on a needs basis by the Nomination Committee to ensure that the Board has the required mix of skills, expertise, attributes and core competencies to discharge its duties effectively.

Recommendation of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. None of the Independent Directors has served the Board for nine (9) years. The Nomination Committee and Board have assessed, reviewed and determined that the independence of Encik Mustaffa Kamil bin Ayub, YB Dato' Kamarul Baharin bin Abbas, YB Sivarasa a/l Rasiah, YBhq Dato' Dr. Mohamed Ariffin bin Aton, Encik Rosely @ Mohamed Ross bin Mohd Din and YBhg Dato' Idris bin Md Tahir remain objective and independent based on the following justifications/ aspects contributed by them as members of the Board and Board Committees against the criteria for assessment of independence of Directors developed by the Nomination Committee: -

- a) Have fulfilled the criteria under the definition of Independent Director pursuant to the Bursa Securities MMLR;
- b) Have consistently assisted and advised Management in an effective and constructive manner, as and when necessary and kept a distance from the Management in overseeing and monitoring execution of strategy;
- c) Have performed their duties as Directors without being subject to influence of Management;
- d) Have actively participated in Board deliberation, objective in decision making, provided an independent voice on the Board and contributed in preventing Board domination by any single party;
- e) Is not a family member of any executive Director, officer and major shareholder of the Company;
- f) Have not engaged in any business transaction or other relationship with the Company under such circumstances as prescribed by the Exchange which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.

The Board having reviewed the size and complexity of the Group's operations is of the opinion that the number of members in the Board is appropriate. The Chairman presides over the meetings of the Board. His role and function are clearly separated and distinct from the Group Chief Executive Officer/ Managing Director ("Group CEO/ MD") whom is specifically responsible for managing the strategic and operational agenda of the Group and for the

execution of the directives and policies of the Board, as well as directing the business operations of the Group on a day-to-day basis. The Group CEO/MD is to develop, in conjunction with the Board, the Group's strategic plans and is responsible for its implementation. In connection therewith, the Group CEO/MD keeps the Board informed of overall operations of the Group and the major issues faced by the Group, together with bringing forward to the Board significant matters for its consideration and approval, where required.

Non-Executive Directors do not participate in the day-to-day management of the Group. However, they contribute in areas such as policy and strategy, performance monitoring, as well as improving governance and controls. The Independent Directors have declared themselves to be independent from Management and free of any relationship which could materially interfere with the exercise of their independent judgment and objective participation and decision making process of the Board. Such declarations by the Independent Directors were made via written confirmation to the Nomination Committee during the annual Board evaluation exercise for 2015.

During the financial year 2015, Encik Suhaimi bin Kamaralzaman, the Group CEO/MD had been redesignated to Non-Independent Non-Executive Director and Encik Ahmad Fariz bin Hassan was appointed as Acting CEO of Perangsang Selangor with effect from 1 September 2015.

4. Boardroom and Workforce Diversity Policies

Board Diversity Policy

The Company acknowledges the benefits of having a diverse Board and sees diversity at Board level as an essential element in maintaining a competitive advantage. As a follow through, the Board has recently established the Board Diversity Policy which covers gender, age and ethnic policy to inculcate Boardroom Diversity in maintaining a competitive edge.

Notwithstanding the above, the Board is of the view that while it is important to promote boardroom diversity, the normal selection criteria of a Director based on effective blend of competency, skill, vast experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualification, experience and capability. In identifying suitable candidates for appointment to the Board, Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

Currently, the Board composition and all Board appointment are made on merit, in the context of skill and experience regardless of age, gender, ethnicity and nationality. The following table summarise percentage in terms of gender, ethnicity, age and nationality is shown in Table 1:

Table 1

GENDER		ETHNICITY		AGE GROUP		NATIONALITY				
Male	Female	Malay	Chinese	Indian	Others	40-49 years	50-59 years	60 years and above	Malaysian	Non-Malaysian
9 (100%)	NIL	8 (89%)	Nil	1 (11%)	NIL	2 (22%)	1 (21%)	6 (67%)	8 (89%)	1 (11%)
Total number	er of Directors : 9	Tota	l number c	f Directo	rs : 9	Total nu	ımber o	f Directors : 9	Total number	er of Directors : 9

With regards to gender diversity, Perangsang Selangor does not practice any form of gender discrimination and does not set any specific target for female director to sit in the Board as both genders have been accorded fair and equal treatment. Thus far, any new appointments to the Board were based on merits rather than fulfilling any gender quotas. Henceforth, all appointments will be in accordance with the needs of the desired skill set, background and experience expected of a Company Director.

The Board will review the measures set and endeavour to achieve appropriate boardroom diversity from time to time.

Workforce Diversity

The right to be employed coupled with equal employment opportunity to all genders, religions, age and ethnicity are the core guiding principle while performing the sourcing and recruitment activities within the Perangsang Selangor Group. Perangsang Selangor recognises educational qualifications, skills, knowledge, competencies and potential to grow within the company of every personnel, as part of existing process in developing a winning culture in the organisation.

A good mix and distribution of gender is being practised within the Perangsang Selangor Group with 67% representing male and 33% female workforce as shown in Table 2:

<u>Table 2</u>
<u>2015 Perangsang Selangor Group Workforce by Gender</u>

GENDER	NUMBER OF STAFF	%	
Male	235	67%	Γ
Female	118	33%	
TOTAL STAFF	353	100%	l

Perangsang Selangor Group recognises the contribution of women at management level whereby currently women make up 34% of the total management category, contributing to day to day decision making processes as shown in Table 3:

<u>Table 3</u>
<u>Top, Senior and Middle Management Category</u>

GENDER	NUMBER OF STAFF	%	
Male	49	66%	ľ
Female	25	34%	
TOTAL STAFF	74	100%	

Similarly for the executive and non-executive category, the gender diversity is represented by 33% make up of female staff as shown in Table 4:

<u>Table 4</u>
<u>Executive & Non Executive Category</u>

GENDER	NUMBER OF STAFF	%	
Male	186	67%	Γ
Female	93	33%	ı
TOTAL STAFF	279	100%	L

Meanwhile, the distribution of age group at the top, senior and middle management portrayed in table 5 below shows 41% of the management team members are between 40 to 49 age group as shown in Table 5:

<u>Table 5</u>
<u>Age Group - Top, Senior and Middle Management Category</u>

GENDER	MALE	FEMALE	TOTAL
below 39 years	12	12	24/ (32%)
Between 40 - 49 years	22	8	30/ (41%)
More than 50 years	15	5	20/ (27%)
TOTAL STAFF	49	25	74/ (100%)

With regards to ethnicity, 317 staff are bumiputera which make up 90% of the total workforce and the balance 36 staff or 10% are from non-bumiputera ethnicity which comprise of Chinese, Indian and Others as shown in Table 6:

Table 6

Ethnicity breakdown in the Workforce

ETHNICITY	BUMIPUTERA (Peninsular & East Malaysia	NON-BUMIPUTERA (Chinese, Indian & others	TOTAL	
TOTAL	317	36	353	ı
PERCENTAGE	90%	10%	100%	ı

Various initiatives have been implemented to promote diversity and inclusiveness at workplace by taking into consideration elements and feedback from all parties concerned. Flexible working hours, education assistance programme for career advancement and few other initiatives are in place for the existing staff, alongside a competitive total reward package to provide worklife balance with the aim of enhancing productivity and improve staff retention.

The Board Diversity Policy is available online at www.perangsangselangor.com.

5. Code of Conduct and Ethics for Directors

The Directors continue to adhere to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. In addition, the Board has established a Code of Conduct and Ethics for Directors ("the Code") that aims to outline the standards of business conduct and ethical behaviour which the Directors should possess in discharging their duties and responsibilities, and to enhance the high standards of personal integrity and professionalism of the Directors.

The Code is based on the following principles:

- Compliance with legal and regulatory requirements and Company policies;
- Observance of the Board Charter;
- Duty to act in the best interest of the Company;
- Honesty and integrity;
- No conflict of interest;
- No-profit rule; and
- Relationship with stakeholders.

The Code can be found from the Company's Corporate website at www.perangsangselangor.com.

6. Appointments to the Board

The Nomination Committee is responsible for the reviewing of the Board's composition and recommending to the Board appointments of any new Directors by evaluating and assessing the suitability of candidates for Board membership, against proper and relevant criteria developed by the Nomination Committee, in a formal and transparent procedure.

Under this procedure, the Nomination Committee proposes nominees for appointment to the Board, and recommends to the Board on the appointment, re-appointment and assessment of the Directors for approval.

The sourcing of candidate is made via recommendation by other Board Members or shareholders govern by the expectation of the roles and capabilities described and required by the Board. This subsequently followed by a submission to the Nomination Committee for deliberation. However, if a need arises, the Board has the right to seek independent professional search firm to source for the candidate.

The Board has established a clear and transparent nomination process for the appointment of Director of the Company. The nomination process involves the following six stages:-

- i) Identification of candidates;
- i) Evaluation of suitability of candidates;
- iii) Meeting up with candidates;
- iv) Final deliberation by the Nomination Committee;
- v) Recommendation to Board for decision; and
- vi) A formal invitation by the Chairman.

YM Raja Shahreen bin Raja Othman who was appointed to the Board was given a comprehensive orientation and induction programme to ensure first hand understanding of the Company's operation through briefings on the Company history, financial standing, issues faced and strategies adopted by the Company.

7. Re-election and re-appointment of Directors

In accordance with the Company's Articles of Association ("the Articles"), Directors who are appointed by the Board during the financial period before an Annual General Meeting ("AGM") are subject to re-election by shareholders at the next AGM to be held following their appointments. The Articles also provide that at least one third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third (1/3) (rounded upwards) with minimum of one (1), be subject to re-election by rotation at each AGM provided always that all Directors including the executive Director shall retire from office at least once every three (3) years but shall be eligible for re-election.

The Company has established the election process on retirement of Directors in order to ensure compliance to all regulatory requirements. Based on the schedule of retirement by rotation, the Nomination Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment. This recommendation is based on formal reviews of the performance of the Directors, taking into account the results of their latest Board Annual Evaluation, contribution to the Board through their skills, experience, strengths and qualities, level of independence, ability to act in the best interests of the Company in decision making.

The Directors who are due for re-election by rotation pursuant to Article 84 of the Articles at the forthcoming AGM are YM Raja Dato' Haji Idris Raja Kamarudin, Encik Suhaimi bin Kamaralzaman and Encik Rosely @ Mohamed Ross bin Mohd Din. Their profiles are set out on page 14, 16 and 20 respectively of this Annual Report.

Pursuant to Section 129(6) of the CA, Directors who have attained or are over the age of seventy (70) years shall retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM. The Director who is due for retirement and re-appointment in accordance with Section 129(6) of the CA at the forthcoming AGM is YBhg Dato' Dr Mohamed Ariffin bin Aton. His profile is set out on page 19 of this Annual Report.

8. Annual Board evaluation

The Nomination Committee is entrusted with the responsibility of carrying out the annual evaluation on the effectiveness of the Board as a whole, the Board Committees, Directors' Peer evaluation and Independent Directors' assessment. The evaluations exercise were facilitated by the Company Secretary upon making the necessary reference to the guides available and the good corporate governance compliance companies.

The results of the evaluations and comments from the Directors concerning the Board as a whole and general performance of the Directors were also presented to the Board upon reviewed by the Nomination Committee.

9. Board Meetings and Supply of Information

Board meetings for each financial year are scheduled and informed to the Board in advance before the end of each financial year so as to enable the Directors to plan accordingly and fit the year's Board meetings into their respective schedules.

The Board meets on a quarterly basis to review the business operations, financial performance and other significant matters of the Group requiring its attention. In addition, the Board also meets on an ad-hoc basis to deliberate on matters requiring its immediate attention. Besides board meetings, the Board also exercises control on matters that require Board's approval through circulation of resolutions. During the financial year ended 31 December 2015, eleven (11) board meetings were held and the respective Directors' attendances are as follows:

NAME OF DIRECTORS	ATTENDANCE
YM Raja Dato' Haji Idris Raja Kamarudin	9/11*
Encik Suhaimi bin Kamaralzaman	7/11**
Encik Mustaffa Kamil bin Ayub	11/11
YB Dato' Kamarul Baharin bin Abbas	10/11***
YB Sivarasa a/l Rasiah	10/11***
YBhg Dato' Dr Mohamed Ariffin bin Aton	11/11
Encik Rosely @ Mohamed Ross bin Mohd Din	11/11
YBhg Dato' Idris bin Md Tahir	11/11
YM Raja Shahreen bin Raja Othman	8/8***

NOTE:

- * YM Raja Dato' Haji Idris Raja Kamarudin did not attend two (2) board meetings of the Company during the year in review as he was deemed interested Director in the subject transactions relating to the corporate proposals.
- ** Encik Suhaimi bin Kamaralzaman did not attend four (4) board Meetings during the review period. He did not attend two (2) board meetings as he was deemed interested Director in the subject transactions relating to the corporate proposals and two (2) board meetings were due to unforeseen circumstances.
- *** YB Dato' Kamarul Baharin bin Abbas and YB Sivarasa a/l Rasiah were unable to attend the board meetings due to unforeseen circumstances.
- **** YM Raja Shahreen bin Raja Othman was appointed to the Board on 31 March 2015.

The Board is provided with agendas and board papers at least seven (7) days prior to board meetings. The board papers include minutes of the previous meeting, quarterly performance report of the Group, corporate and strategic initiatives proposals for the Board's review and approval. These documents are issued in advance to enable the Board to seek clarification from the Management or the Company Secretary before the board meetings to enable effective discharge of its duties. Urgent papers may be presented for tabling at the board meetings under supplemental agenda.

At the board meetings, the Board reviews Management reports on the business performance of the Company and its subsidiary companies, and reviews, inter-alia, the results compared with the preceding quarter and year-to-date. As part of the integrated risk management initiatives, the Board peruses the decisions and salient issues deliberated by Board Committees through briefing by the Board Committees' Chairmen. The Chairman of the Board Risk Management Committee would inform the Directors at board meetings of any principal risks that would have significant impact on the Group's business and the measures to mitigate such risks. Similarly, the Chairman of the Audit Committee would inform the Directors at board meetings, of any significant issues noted by the Audit Committee which require the Board's attention and approval for implementation.

The Directors have a duty to make an immediate declaration to the Board if they have any interest in transactions to be entered into directly or indirectly with Perangsang Selangor Group. The interested Directors would serve notice to the Board and thereupon abstain themselves from deliberations and making decisions on the transaction at the relevant board Meetings. In the event where a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting, in respect of their shareholdings in Perangsang Selangor, on the resolution relating to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions in the general meetings.

The Directors have independent access to the advice and dedicated support services of the Company Secretaries to ensure effective functioning of the Board. The Directors may seek advice from Management on issues pertaining to their respective jurisdictions. The Directors may also interact directly with, or request further explanation, information or

updates on any aspect of the Company's operations or business concerns from Management.

In support of a paperless environment, Perangsang Selangor had since August 2014 started uploading meeting documents onto Directors' iPad for convenient reference. This initiative enables digital access to meeting documents instead of requiring distribution of hard copies. As a result, Directors and committee members are able to access meeting documents in a timely and more efficient manner, thus improving Board performance and overall effectiveness of decision-making.

The Board may seek independent professional advice at the Company's expense in discharging its various duties for Perangsang Selangor. Individual Directors may also obtain independent professional or other advice in fulfilling their duties, subject to approval by the Chairman or the Board, and depending on the quantum of the fees involved.

10. Qualified and Competent Company Secretaries

Both of the Company Secretaries are persons qualified to act as company secretaries under Section 139A of the CA. Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board in managing the Group Governance to ensure it continues to be effective and relevant.

The Company Secretaries ensure that deliberations at Board and Board Committees meetings are well captured and minuted, and subsequently communicated to the relevant Management for necessary actions. The Board is updated by the Company Secretaries on the follow up or implementation of its decision/recommendations by the Management under matters arising of the agenda in every quarterly meetings of the Board.

The Company Secretaries also provide guidance to the Chairman and other Board members on the conduct of the general meetings. Besides that, the Company Secretaries constantly keep themselves abreast of the regulatory changes and development in Corporate Governance through continuous training.

11. Directors' Training

Directors are to keep themselves abreast with the developments in the business environment as well as with any new relevant regulatory and statutory requirements to maximise their effectiveness in the Board. This can be achieved amongst others, through attending trainings provided externally or internally by reading relevant publications and adhering to continuous professional education as required by the respective professional bodies.

The Nomination Committee is entasked upon assessment of Directors, recommends to the Board the training needs of Directors in the specific areas requiring improvement. In compliance with the Bursa Securities MMLR, all Directors have attended the required Mandatory Accreditation Programme ("MAP"). The newly appointed Director, YM Raja Shahreen bin Raja Othman had completed the MAP in May 2015.

Besides that, the Directors are also updated by the Company Secretaries on any changes to legal and governance practices which affect the Directors, from time to time.

Training programmes, courses, seminars, conferences and talks attended by the Directors during the year in review is as shown in Table 7:

Table 7

NAME OF **DIRECTORS**

PROGRAMMES

YM Raja Datoʻ Haii Idris Raia Kamarudin

• Risk Sharing Session 2015, Perangsang Selangor Group

2015 National Conference on Governance, Risk & Control -Gearing for Innovation

Encik Suhaimi bin Kamaralzaman

• The Business of Innovation

Encik Mustaffa Kamil bin Ayub

- International conference on Islam Rahmatan lil Alamin
- Audit Committee Conference 2015

 Rising to New Challenges
- International Conference on **Ummah Solidarity**
- Lead the Change Conference: Getting Women on Boards
- International Conference on Law Reform
- International CSR Summit 2015
- Maximizing Board Effectiveness Through A Strong Board Risk Oversight Role Beyond Financial Performance

YB Dato' Kamarul Baharin hin Ahhas

• Risk Sharing Session 2015, Perangsang Selangor Group

YB Sivarasa a/l Rasiah

 Overview of the Anti-Money Laundering & Anti –Terrorism Financing Act 2001

YBhg Dato' Dr Mohamed Ariffin bin Aton

Reviewing Financial Proposals and Financial Obligations

Encik Rosely @ Mohamed Ross bin Mohd Din

- Islamic Finance Conference 2015 Board's Strategic Leadership: Innovation & Growth in Uncertain Times
- Risk Sharing Session 2015, Perangsang Selangor Group RMB Conference
- Board Leading Change: Organisational Transformation Strategy as Key to Sustainable Growth in Challenging Times.
- Directors as Gatekeeper of Market **Participants**
- Current & Emerging Regulatory Issues in Capital Market
- Capital Market Risk & Compliance Oversight by Board
- Capital Market Business challenges and regulatory expectations – What directors need to know (Fund Management)
- FIDE Forum Beyond Compliance

YBhg Dato' Idris bin Md Tahir

- Audit Committee Conference 2015
- Rising to New Challenges Risk Sharing Session 2015,
- Perangsang Selangor Group Future of Auditor Reporting The Game Changer for Boardroom

YM Raja Shahreen bin Raja Othman

- Mandatory Accreditation Programme
- McKinsey Innovation Forum
- MIA International Accountants Conference

The Directors will continue to attend other relevant training programmes as needed to enhance their skills and knowledge and to keep abreast with the relevant changes in laws, regulations and business environment.

12. Board Committees

The Board has established several Board Committees whose composition and terms of reference are in accordance with the best practices prescribed by the MCCG 2012 and mandated by Bursa Securities MMLR.

The Board Committees are as follows:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Board Risk Management Committee
- Corporate Social Responsibility Board Committee
- Board Investment Review Committee
- Tender Board Committee

To assist the Board in discharging its role and functions effectively, the Board had delegated certain of its duties and responsibilities to the various Board Committees which operate under approved terms of reference.

The terms of reference, functions and frequency of meetings for the Board Committees are as follows:-

Audit Committee

The report of the Audit Committee is set out in pages 56 to 58 of this Annual Report.

Nomination Committee

In line with recommendation 2.1 of the MCCG 2012, the Nomination Committee of Perangsang Selangor exclusively comprised of five (5) Non-Executive Directors of whom three (3) are Independent Directors and two (2) Non-Independent Directors. The Nomination Committee is chaired by a Senior Independent Director.

The terms of reference and function of Nomination Committee are as follows:-

- To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Nomination Committee should consider the candidates'
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity; and
 - in the case of candidates for the position of independent non-executive directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- To consider in making its recommendations, candidates for directorship proposed by the Chief Executive Officer and, within the bounds of practicability, by any other Senior Management or any Director or Shareholder.

- To recommend to the Board, directors to fill the seats on Board Committees.
- To develop criteria and oversee annual assessment with the appropriate criteria on the effectiveness of the Board of Directors as a whole, the Board Committees and the contribution of each individual Director and Chief Executive Officer.
- To develop criteria and oversee annual assessment with the appropriate criteria on the effectiveness of the board representative in the subsidiaries and/or associate companies, the Chief Financial Officer ("CFO") or CFO equivalent, and Chief Legal Officer ("CLO") or CLO equivalent, of the subsidiary companies.
- To review and recommend to the Board the required mix of skills and experience and other qualities the Board requires in order to function completely and efficiently.
- To assess the performance and contributions of directors who stand for re-election whether they meet established performance evaluation criteria.
- To develop criteria to assess independence of directors.
- To review the succession planning of the Board and Chief Executive Officer and/or Managing Director.
- To review the succession planning of Chief Executive Officer and/or Managing Director (C Level position). Talent Management and Succession Planning policies set by the Group will be used as guiding principle. The Members' key duties are as follows:-
 - To identify high potential and selected talents for C Level position.
 - To approve specific development intervention of selected talent.
 - To ensure follow through on development agenda of each talent.
 - To review progress, new assignments, hiring external decisions in order to recalibrate development activities to address capability needs for optimum results.
- The Nomination Committee shall make recommendations to the Board concerning matters relating to:-
 - Establishing Key Performance Indicators ("KPIs") and setting targets linked to business strategy.
 - Establishing KPIs and setting targets for Chief Executive Officer.
- To facilitate Board induction and training for newly appointed directors.
- To review training programmes for the board.
- To facilitate achievement of board diversity policies and targets.

- To review and recommend candidates for Shariah Advisory Panel.
- To identify prospective candidates with experience and relevant expertise and making recommendations to the Board of Perangsang Selangor, for Board representation in the subsidiaries and/or associate companies of Perangsang Selangor.
- To identify the prospective candidates for the executive appointments of the CFO or CFO equivalent, and CLO or CLO equivalent, of the subsidiary companies.

The Nomination Committee met eight (8) times during the year under review and the key activities were as follows:-

- i) Review proposed candidate for new Chief Executive Officer of Perangsang Selangor based on the following key criteria:-
 - Male or Female;
 - Possess good business acumen;
 - A generalist at investment holdings company with Public Listed Company experience;
 - Individuals known exemplary track records in leading and growing the business;
 - A team player with strong leadership qualities; and
 - Good interpersonal and presentation skills.
- ii) Review proposed candidate for appointment of additional director of Perangsang Selangor;
- iii) Review proposed Board Diversity Policy;
- iv) Review the performance of Group Chief Executive Officer/Managing Director of Perangsang Selangor;
- v) Review the annual evaluation on the effectiveness of the Board as a whole, the Board Committees, Directors' peers evaluation and independence of independent Directors' evaluation; and
- vi) Review proposed re-election of Directors pursuant to the Company's Articles of Association.

Remuneration Committee

- To advise the Board on remuneration policies and practices of the Company.
- To assure the shareholders of the Company that the remuneration of the principal Executive Directors of the Company and other Senior Management are determined by a Committee of the Board whose members have no personal interest in the outcome of the decisions of the Remuneration Committee and who will give due regard to the interests of shareholders.
- To review, appraise and make recommendations to the Board on the Company's framework of Executive Directors and Senior Management of the Group's remuneration, salary increment, bonus, retirement benefit and compensation.
- To review the remuneration packages of Executive Directors and Senior Management on a regular basis and to compare them to best market practice, to ensure they remain fair and competitive.

- To appraise and recommend suitable short and long-term policies and performance-related incentive schemes for the Company.
- To review any major changes in remuneration policy and employee benefit structures throughout the Company or Group, and if thought fit recommend them to the Board for adoption.

The Remuneration Committee met four (4) times during the year in review.

Board Risk Management Committee

- Oversight of the establishment and implementation of an Enterprise Risk Management ("ERM") framework.
- Articulating and providing direction on risk appetite, tolerance, organisational control environment and risk culture at Perangsang Selangor Group.
- Oversee and advise the board on the current risk exposures of Perangsang Selangor Group.
- Reviewing and recommending risk management strategies and policies for the Board of Directors' approval.
- Leading Perangsang Selangor Group's strategic direction in the management of material business risks.
- Ensuring infrastructure, resources and systems are in place for Group Risk Management Department, i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independent of the business risk taking activities of the Company.

The Board Risk Management Committee met four (4) times during the year in review.

Corporate Social Responsibility ("CSR") Board Committee

- To review implementation of CSR programmes for the Group.
- To consider and approve proposals for CSR subject to limit of authority delegated and approved by the Board of Directors.
- To plan and propose yearly budgets for CSR programmes for approval by the Board of Directors.
- To monitor and report back to the Board of Directors progress of implementation of CSR programmes for the Group.
- To prepare, review and propose for Board of Directors' approval the CSR Statement for inclusion in the Annual Report.

- To see that appropriate action is taken to assure compliance and to correct non-compliance, with the Company's procedures, programmes, policies and practices relating to its responsibilities as a global corporate citizen.
- To review and make recommendations with respect to the Company and Group's political activities, including political contributions, the Company and Group's positions with respect to pending legislative and other initiative, and political advocacy activities of the Company and Group.
- To review legal, regulatory and other matters relating to the Company and Group's responsibilities as a global corporate citizen that may have a significant impact on the Company and Group in any manner and make recommendations with respect thereto. As part of these responsibilities, the Committee shall take steps to ensure that reasonable and adequate systems are in place to ensure the Company and Group's compliance with governmental regulations relating to environment, health and safety matters.
- To review and monitor the performance of the Company and Group as it affects matters relating to sustainability, the environment, communities, customers and other key stakeholders.
- To oversee the management of risks related to sustainability and the environment and the Company and Group's interactions with communities, customers and other key stakeholders, including risks related to reputation.
- To formulate and update the CSR programmes for the Company and Group.
- To oversee, coordinate and integrate the management of the Company and Group's CSR programmes for:
 - Employees
 - Environment
 - Communities and Interest Groups
 - Government (legislative bodies)
 - Business Partners
- To oversee the Company and Group's integrated CSR programmes.
- To conduct an annual review of the integrated CSR programmes to ensure that these:
 - comply with applicable laws: and
 - are consistent with Company and Group policies, guidelines and objectives on CSR.
- To ensure that the CSR programmes are integrated and applied consistently throughout the Company and Group.
- To identify and recommend programme enhancements that will increase effectiveness and overall improvement in Company and Group performance and image.

- To apprise the Board of Directors regularly of the accomplishments and issues/concerns related to the integrated CSR programmes.
- To redefine, in consultation with the Board of Directors, the roles, duties and responsibilities of the Committee in order to integrate the dynamic requirements of business and the future plans of the Company and Group, subject at all times to the principles of sound corporate governance.
- To undertake special projects or activities which the Board of Directors or the Committee considers necessary, and perform other tasks or duties as may be requested or delegated by the Board of Directors.
- To assist the Board of Directors in enabling the Company and Group to operate its business ethically, responsibly and sustainably.

The CSR Board Committee met three (3) times during the year in review.

The report of the CSR Board Committee is set out in pages 32 to 36 of this Annual Report.

Tender Board Committee

- To approve the appointment of Consultants.
- To appoint/deregister contractors if required (only for closed tenders).
- To ensure that Tenders are offered on an equal basis, just and fair to all participants.
- To ensure that Tender Procedures are adhered to.
- To ensure propriety to the Tender Opening Process.
- To deliberate and Award Tenders at the most competitive prices, to the most qualified and suitable tender participant.
- To notify the Board of Directors on the award of tender.
- To obtain independent estimates to enable them to benchmark against the proposed tenders if the need should arise.
- To recall Tenders if they are of the opinion that the objectives of the exercise have not been achieved.
- To call for new Tenders if variation orders during the implementation stage of contract are in excess of 10% of the contract sum.

The Tender Board Committee meets as and when required.

Board Investment Review Committee

- To evaluate investment and divestment proposals for the Group.
- To approve the commencement of due diligence for new investments.

- To approve the commencement of final negotiations upon successful outcome of due diligence.
- To consider and recommend proposals for investments and divestment to the Board of Directors.
- To evaluate investment and divestment criteria, policies, guidelines and procedures for approval by the Board of Directors.
- To monitor new investments and divestments in the interim period and report back to the Board of Directors on the progress until the signing of a definitive agreement.
- To see that appropriate action is taken to assure compliance and to correct non-compliance, with the Company's procedures, policies and practices relating to its investment and divestment.
- To review legal, regulatory and other matters relating to the Company and Group's investments and divestment.
- To review and monitor the quarterly performance and progress of the investment as it affects matters relating to Bursa Listing Requirements, and the business sustainability of Perangsang Selangor Group.
- To redefine, in consultation with the Board of Directors, the roles, duties and responsibilities of the Committee in order to integrate the dynamic requirements of business and the future plans of the Company and Group, subject at all times to the principles of sound corporate governance.
- To undertake special projects or activities which the Board of Directors or the Committee considers necessary, and perform other tasks or duties as may be requested or delegated by the Board of Directors.
- To assist the Board of Directors in enabling the Company and Group to operate its business ethically, responsibly and sustainably.

The Board Investment Review Committee met five (5) times during the year in review.

13. Indemnification of Directors and Officers

Directors and Officers of the Group are indemnified under a Directors' and Officers' Liability Insurance against any liability incurred by them in the discharge of their duties while holding office as Directors and Officers. Nevertheless, the Directors and Officers shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them.

B. DIRECTORS' REMUNERATION

Directors' remuneration is generally benchmarked against the market average of comparable companies to attract and retain the Directors to run the Company. The remuneration of the Group CEO/MD is based on the terms of his employment contract with the Company and the Company's Remuneration Policy for working Directors which came into force on 28 June 2011 whereby employees who have been appointed as Director shall not be eligible to receive directors' fees and meeting allowance from the company where their salaries are being paid ("Employer") and/or any subsidiary company. Employees who have been appointed as Director shall be eligible to receive leave passage benefit from the Employer only provided the said benefit is being accorded to Directors or is provided for in the contract of employment.

It is a policy that all non-executive Directors are entitled to the same quantum of fees and leave passage, except for the Chairman of the Board. Similarly, non-executive Directors are also paid the same quantum of fees and meeting allowance for their attendance at the Board and other Board Committees' meetings except for the Chairman of the Board and Board Committees.

A summary of the remuneration of the Directors for the financial year ended 31 December 2015, distinguishing between Executive Director and Non-Executive Directors in aggregate, with categorisation into appropriate components is as shown in Table 8:

Table 8

	EXECUTIVE DIRECTOR (RM)	NON- EXECUTIVE DIRECTOR (RM)	TOTAL (RM)
SALARY	105,365		105,365
FEES	-	492,902	492,902
BONUS	68,985		68,985
OTHERS	-	327,500	327,500
BENEFIT-IN-KIND		286,466	286,466
TOTAL	174,350	1,106,868	1,281,218

REMUNERATION BAND (RM)	EXECUTIVE DIRECTOR	NON- EXECUTIVE DIRECTOR
50,000 - 100,000	0	1
100,001 – 150,000	0	5
150,001 - 200,000	1	2

C. RELATIONSHIP WITH SHAREHOLDERS

The Company recognises the importance of transparency and accountability in disclosures of the Group's business activities to its shareholders and investors. The Board has maintained effective communications policy and investor relations policy that enable both the Board and Management to communicate effectively with its shareholders, investors and even the public vide the following:

- The Annual Report and relevant circulars despatched to shareholders and published in the Company's website; and
- ii) Issuance of various disclosures and announcements inclusive of the quarterly financial performance of the Group to Bursa Securities.

In addition, the Group has established a website at http://perangsangselangor.com which shareholders can access for information and seek clarification on the Group's matters. The Investor Relation Policy is also available at the company's website.

Alternatively, they may obtain the Group's latest announcements via Bursa Securities website at http://announcements.bursamalaysia.com.

Encik Mustaffa Kamil bin Ayub has been identified as the Senior Independent Non-Executive Director to whom any concerns pertaining to the Company may be conveyed to him via email at mustaffa-kamil@kps.com. my and letters stamped "Private & Confidential" can be addressed to him personally at Kumpulan Perangsang Selangor Berhad, 17th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan.

AGM

The AGM which is held once a year is the principal forum for dialogue with shareholders. The Annual Report together with the Notice of AGM are sent to shareholders within the prescribed period as allowed under the Company's Articles of Association, Bursa Securities MMLR as the case may be. Where special business items appear in the notice of AGM, an explanatory note will be included as a footnote to enlighten shareholders on the significance and impact when shareholders deliberate on the resolution.

At the AGM the Chairman encouraged the shareholders to demand a poll, particularly on substantive resolutions for good corporate governance purposes. The shareholders are given the opportunity to seek clarification on any matters pertaining to the business activities and financial performance of the Company and of the Group.

The external auditors of the Company also attend the AGM and are available to answer questions about the conduct of the audit, preparation and content of the auditors' report.

Immediately after the AGM, the Board represented by the Chairman together with the Management may address issues raised by the media and answer questions on Group activities and plans in the course of providing investors with the latest update on the Group.

The Board will consider adopting electronic voting to facilitate greater shareholders' participation after taking into consideration its reliability, cost and efficiency.

D. ACCOUNTABILITY AND AUDIT

1. Risk Management and Internal Control

The Board acknowledges its responsibility for establishing a sound system of internal control to safeguard shareholders' investments and Group's assets, and to provide assurance on the reliability of the financial statements. In addition, equal priority is given to internal control of its business management and operational techniques.

While the internal control system is devised to cater for particular needs of the Group as well as risk management, such controls by their nature can only provide reasonable assurance but not absolute assurance against material misstatement or loss.

Establishment of the Risk Management Policy is to identify, evaluate and manage the Group's corporate risk profile and develop contingency plans to mitigate any possible adverse effects on the Group.

A statement of Risk Management and Internal Controls is set out on pages 50 to 55 of this Annual Report.

2. Financial Reporting

In presenting the annual financial statements and quarterly announcements of its results, the Board has ensured that the financial statements represent a true and fair assessment of the Company's and Group's financial position.

3. Relationship with Auditors

The role of the Audit Committee in relation to the external auditors may be found in the Audit Committee Report included in this Annual Report. The Company and its Management have always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

The Audit Committee will meet with the external auditors minimum twice (2) a year without the presence of Management to ensure that the independence and objectivity of the external auditors are not compromised.

E. COMPLIANCE WITH THE BEST PRACTICES

Except for the non-disclosure of individual Director's remunerations, the Board believes that all material aspects of the Best Practices set out in the MCCG 2012 have been complied with during the financial year.

F. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:-

- i) The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, the provisions of the CA and the Bursa Securities MMLR so as to give a true and fair view of the state of affairs of the Group and the Company for the financial year; and
- ii) Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the year ended 31 December 2015, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with Part A of Appendix 9C of the Bursa Securities MMLR, the following additional information in respect of the financial year ended 31 December 2015 are provided:

1. Share Buy Back

The Company does not have any share buy-back scheme.

2. Share Issuance Scheme, Option or Convertible Securities

As at 29 July 2013, the Perangsang Selangor ESOS had expired and there is no new scheme being implemented by the Company.

The Company also did not issue any option or convertible securities during the financial year.

3. Sanctions and/or penalties imposed on the Company and its Subsidiaries, Directors or Management by the Relevant Regulatory Bodies

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

4. Profit Guarantees

During the financial year 2015, there were no profit guarantees given by the Company.

5. Material Contract

Other than as disclosed in Note 52 of the Financial Statements, there were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders.

6. Variance in Results

There were no variances of 10% or more between the results for the financial year ended 31 December 2015 and the unaudited results previously announced.

7. Utilisation of Proceeds

The Company did not call or raise any capital for the financial year ended 31 December 2015.

8. Non-Audit Fees

The amount of non-audit fees paid to external auditors by the Company and its subsidiaries for the financial year 2015 was RM 73,000.00.

9. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

There was no RRPT of a Revenue or Trading in nature during the review period except for rental income, interest income and management fees. However, announcement is not required to be made to Bursa Securities as the value of the transactions does not exceed 1% of the Net Assets of the Group.

10. Depository Receipt (DR) Programme

The Company did not sponsor any DR programme during the financial year under review.

11. List of Properties

The Company's list of properties is set out on page 215 of this Annual Report.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROLS



1. INTRODUCTION

Bursa Securities' Main Market Listing Requirements (MMLR) requires Directors of listed companies to include a statement in their annual reports on the state of their risk management and internal controls. The Board of Directors is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 December 2015.

2. RESPONSIBILITY OF THE BOARD

The Board recognises the importance of sound internal controls and risk management practices for good corporate governance. The Board affirms its overall responsibility for the Group's system of internal controls and for reviewing its adequacy and integrity. Such a system covers not only financial controls but also controls relating to operational, risk management and compliance with applicable laws, regulations, rules, and guidelines.

In view of the inherent limitations in any system of internal control, this system is designed to identify and manage risk, rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has in place ongoing processes for identifying, evaluating, monitoring and managing significant risks faced by the Group during the year. Management is responsible for the identification and continuous evaluation of significant risks applicable to their respective areas of business and to formulate suitable internal controls. This process is reviewed by the Board which dedicates its time at periodic intervals throughout the year for discussion on this matter.

During the financial year, the Group includes key issues and concerns on all material associated companies except for Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (Sprint) and Syarikat Pengeluar Air Selangor Holdings Berhad (Splash) for Board of Directors' deliberation. Furthermore, the Board is of the view that the management of these material associated companies has an existing monitoring function to assist them in ensuring the system of internal controls is functioning as intended.

ERM PROCESS

ERM INFRASTRUCTURE



ERM INTEGRATION

ERM CULTURE AND AWARENESS

PERANGSANG SELANGOR'S ERM FRAMEWORK

3. RISK MANAGEMENT

The Group has established an Enterprise Risk Management ("ERM") framework based on the ISO 31000:2009 International Standard of Risk Management - Principles and Guidelines, to proactively identify, evaluate and manage key risks to an optimal level. In line with the Group's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach entity-wide.

During the financial year ended 31 December 2015, the Group had actively executed the ERM initiatives based on the approved ERM Framework which includes continuous review, tracking and monitoring of the key mitigation strategies implementation and update on the Key Risk Indicators ("KRIs") for the key risk areas identified.

3.1 RISK MANAGEMENT POLICY

The ERM policy of the Board is as follows:

The Board has a stewardship responsibility to both understand the risk areas, communicating the requirements of this policy and to guide the organisation in dealing with these risks.

 Manage risks proactively – Current and potential risks must be identified, evaluated, understood and dealt with. Managing risks does not mean managing weaknesses.

- Manage both negative and positive risks Ensure that negative risks are managed and mitigated; and that the positive risks are optimised; to maximise shareholders' value.
- Manage risks pragmatically, to acceptable levels given the particular circumstances of each situation – A cost-benefit approach is needed where the returns must commensurate with the risk taken.
- Ensure that risk assessment is performed and that the process is embedded in the system – All proposals relating to strategies, key project approvals; significant actions or investment must include a risk assessment summary; and that risk assessment should be part of the business processes.
- Manage risk routinely and in an integrated and transparent way in accordance with good governance practices.
- Require that an effective and formalised risk management framework is established and maintained by Kumpulan Perangsang Selangor Berhad ("Perangsang Selangor").

3.2 RISK MANAGEMENT PROCESSES

3.2.1 RISK IDENTIFICATION AND ASSESSMENT

The Group Risk Management Department is responsible for developing, coordinating and facilitating the Risk Management processes within the Group. A database of risks and controls information is captured in the format of risk registers. Key risks of key business units are identified, assessed and categorised based on the established risks parameters, to highlight the source of risk, their severity of impacts and the magnitude of likelihood of occurrence; and it is being monitored by its respective Senior Management. Risk profiles for the key business units are presented to the Risk Management Working Committee (RMWC) chaired by the Acting Chief Executive Officer, Board Risk Management Committee (BRMC) and Board of Directors on a quarterly basis for deliberation and approval.

3.2.2 MONITORING OF KEY RISK ACTION PLANS AND KEY RISK INDICATORS (KRIs)

Key risk action plans and KRIs had been established for each of the identified key risks areas for Perangsang Selangor Group. During the financial year under review, new key risk action plans were established and assigned to risk owners and the status of implementation is being reviewed, tracked and monitored based on the agreed estimated timeline for completion. Any delays were highlighted and reported on a quarterly basis.

3.2.3 CONTINUOUS RISK AWARENESS

and subsidiary companies' KPI for the year; to inculcate the risk culture within the Group. The key component of the ERM KPIs were as follows:-

- i) Residual risk profile improvement;
- ii) Proactive risk identification; and
- iii) Enhancement of ERM culture via participation
- in Risk Management Programmes and Risk Competency Assessment.

As part of the ERM culture embedment initiative, Group Risk Management Department had successfully organised the "Risk Sharing Session 2015" for the Board of Directors and Senior Management, with the objective to gain knowledge and updates on the latest trends for both ERM and Business Continuity Management (BCM).

Staff Risk Awareness Session for Perangsang Selangor Group was also conducted in October 2015. Participants comprised of staff from Perangsang Selangor and representatives from the subsidiary and associated companies; with the theme "Managing Risk is Everyone's Responsibility".

In addition, a Risk Competency Assessment was conducted for the first time in 2015, for all the Risk Owners and Risk Officers, to gauge their level of understanding in ERM.

NGSANG SELANGOA



3.3 RISK INTEGRATION

The ERM framework outlines the requirement of ERM integration with the key business processes. During the period under review, the ERM integration with the key business processes has been initiated which includes annual budgeting, new investments and projects. The management is continuously striving to improve the related processes to ensure that the risk management processes are embedded and regarded as an effective management tool.

4. INTERNAL AUDIT

The Internal Audit function reports directly to the Audit Committee ("AC"), independent of Management, which provides independent reasonable assurance on the adequacy of internal controls and to ascertain whether the risks are being adequately evaluated, monitored and controlled.

Overall, regular reviews and assessment of the effectiveness of the governance, risk management and internal control processes were performed within the Company. The audit findings and corrective measures were presented to the AC accordingly.

Perangsang Selangor Group Internal Audit's scope includes all its subsidiaries.

5. CONTROL STRUCTURE AND ENVIRONMENT

The Group has an established internal control structure and is committed to evaluating, enhancing and maintaining the structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. There is a clearly defined operating structure with lines of responsibilities and delegated authority in place to assist the Board to maintain a proper control environment. The key elements that support the control structure and environment are described below:-

5.1 Board Committees have clearly defined roles and Terms of Reference

Respective Board Committees have individual roles and Terms of Reference, with clearly defined functions, authority and responsibilities. The management of the various companies in the Group is entrusted to the respective Chief Executive Officers or Chief Operating Officers, whose roles and responsibilities are defined in the job description and whose authority limits are set by the respective Boards. All major decisions require the final approval of the Boards within the Group and are only made after appropriate in-depth analysis. The respective Boards receive regular and comprehensive information covering all divisions in the respective companies within the Group.

5.2 Independence of the Audit Committee

The Audit Committee members of Perangsang Selangor, which comprise of exclusively Non-Executive Directors of the Board, are persons of high calibre and integrity; and they collectively possess vast experience, knowledge and expertise across many industries.

The Audit Committee has explicit authority to investigate any matter within its terms of reference and:-

- i) has the required resources to perform its duties;
- ii) has full and unrestricted access to any information pertaining to the Company and Group including the support and cooperation from Management;
- iii) has direct communication channels with both the External and Internal Auditors; able to obtain independent professional advice; and
- iv) able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Executive Directors and employees of the Company, whenever deemed necessary.

In addition, the Audit Committee plays a crucial role in ensuring the objectivity, effectiveness and independence of the Internal Audit function from Management. The direct accountability of Internal Audit function to the Audit Committee enables the internal audit activity to be independent, and the Internal Auditors to be objective in performing the internal audit activity.

5.3 Documented internal policies and procedures

The Group continues to periodically review and update the internal policies and standard operating procedures for improvement and to reflect changes in the business structure and processes as and when necessary.

- i) Delegation of Authority ("DoA") and Limit of Authority/Financial Authority Limit ("LOA/ FAL")
 - There is an organisational structure with formally defined lines of responsibility and delegation of authority to ensure proper identification of accountabilities and segregation of duties.
 - There are operational authority limits imposed on the Chief Executive Officer and Management within the Group in respect of day-to-day operations.

ii) Tender Policy, Guidelines and Procedures ("TPG")

The TPG is aligned to ISO 9001:2008 quality standards, and reaffirms Perangsang Selangor's' commitment to maintain quality operating standards, service excellence to its customers and a willingness to work together towards improving operational efficiency.

iii) Treasury Policy

The Treasury Policy which covers policy in relation to fund management, financing activities and intercompany advances were established with the objectives of ensuring all transactions are properly authorised and reviewed to enable preparation of proper financial statements as well as to safeguard the Company's interest in its treasury activities.

iv) Related Party Transaction Policy and Procedures

This policy aims to:-

- Provide guidelines for Perangsang Selangor and its subsidiaries under which all related party transactions must be reviewed and approved or ratified by the Audit Committee and Board;
- Provide guidance to staffs to ensure that all transactions that involve potential related parties are determined at arm's length, reasonable and consistent basis whilst any conflict of interest situation are appropriately disclosed and addressed; and
- Ensure compliance to the disclosure requirements for all related party transactions.

v) The Whistleblowing Policy and Guidelines

The Whistleblowing Policy and Guidelines was developed to enable any individuals to raise concerns regarding the Group. The policy was developed to achieve two (2) primary objectives as follows:-

- To provide a safe and acceptable for staff or any other stakeholders to raise concerns so that it can be addressed in an independent and unbiased manner;
- To provide an internal mechanism for the organisation to be notified about concerns at the workplace and further if required, take any action deemed appropriate.

vi) Centralised Treasury Function Policy

Perangsang Selangor has established its Centralised Treasury Function Policy. The objective of the policy is primarily to ensure higher Capital and Fund efficiencies, greater transparency and access to readily updated fund information across the entities in the Group. The policy covers two main scope as follows:-

- Funding and capital markets
- Cash and liquidity management

With the Centralised Treasury Function Policy, the Group is able to obtain competitive rates on the cash surplus due to bigger pool of funds.

5.4 Disaster Recovery Plan ("DRP")

Perangsang Selangor Group has established its DRP with the main objective of ensuring speedy recovery of critical IT applications essential to the business operations in the event of a disaster. The DRP is a key component of the Plaza Perangsang's Business Continuity Programme (BCP).

Data backup is being stored and generated on a daily basis at the off-site Data Center located in Cyberjaya. "Live-Testing" is being conducted periodically to ensure achievement of the targeted Recovery Time Objective (RTO) as prescribed in the BCP framework. The Group had successfully conducted the DRP live testing in June and November 2015.

5.5 Detailed budgeting process

A detailed budgeting process is in place requiring all key operating companies in the Group to prepare budgets annually which are discussed at management level and approved by the respective Boards.

An effective reporting system on actual performance against approved budgets is in place whereby significant variances are followed up on a quarterly basis and management action is taken to tighten or to rectify any shortcomings, where necessary.

5.6 Human Resource Policies

Existing Human Resource policies provide clear guidelines for the organisation to enforce various aspects of human resource practices in an objective and consistent manner. The policies set standards that guide how we conduct ourselves as employees and also play as an integral part of Perangsang Selangor's business strategy.

The following functions have been properly executed as well as to ensure effective control

and compliance towards establishing good corporate governance.

- Talent Management and Performance Management.
- Compensation and Benefits/Organisational Development.
- Recruitment and Staffing for key positions.
- Industrial Relations/Employer-Employee Relations.

Being the custodian of these policies, it is always a mission of the Human Resource Department to continuously provide effective human resource management by developing and implementing policies in driving programmes and services that contribute to the attainment of Group and individual goals.

5.7 Business Continuity Program ("BCP")

Perangsang Selangor has established its BCP framework for its critical business functions located at Plaza Perangsang, which comprise of BCP Policy, detailed Business Continuity Plans ("BC Plans") for the respective functions and the Crisis Management Team Plan covering recovery structure, prioritised activities, Recovery Time Objectives ("RTO"), notification tree, listing of key records and checklists.

The main objective for the BCP is to assist management in responding to business disruptions effectively, resume essential operation within required timeframes and minimise cost of damage to business operations from the effects of major disasters.

Annual live simulation test has been conducted to test the established BC Plans and for this year, it had been successfully conducted in December 2015. Awareness sessions had also been conducted to enhance the awareness on the importance of BCP. The BC Plans will be continuously reviewed by the respective functions to ensure its pertinence and effectiveness.

6. MONITORING AND REVIEW

The processes adopted to monitor and review the effectiveness of the system of internal controls are:-

 All subsidiaries submit monthly Management Reports to the Acting Chief Executive Officer. The reports include the progress of key business initiatives undertaken by the subsidiaries, review of actual results against the preceding year as well as against the budget, with significant variance being explained and necessary actions taken.

- The Board receives and reviews quarterly performance reports from Management of the various lines of business with financial performance and progress reports.
- The Group's Internal Audit Department, which reports to the Audit Committee performs regular reviews on the internal control procedures and highlights significant risks affecting the Group. The Internal Auditors will follow up with Management in respect of the corrective actions taken on those recommendations. The Audit Committee reviews and approves the annual internal audit plan for the year prior to their execution.
- The Audit Committee meets at least quarterly to review internal audit findings, and ensure that weaknesses in controls highlighted are appropriately addressed by management.

Continuous efforts are undertaken to ensure standardisation, timeliness and comprehensiveness of key internal control procedures. The system of internal controls has a clear management support, including the involvement of the Board and is designed to address the risks to which the Group is exposed.

For the financial year ended 31 December 2015, the Board has actively monitored and reviewed the risk management practices and effectiveness of the internal control structure, based on the adopted ERM framework which includes process for identifying, evaluating and managing significant risks faced by the Group. This is an on-going process which includes enhancement of the relevant key internal controls when there are changes in the business environment.

The Board is also assisted by the Management in the implementation of the Board's policies and procedures on risk and control. This includes the identification of risk control measures to address pertinent and relevant risks affecting the Company.

The Board has received reasonable assurance from the Acting Chief Executive Officer and General Manager, Finance and Administration that the Company's current risk management framework and internal control structure is operating adequately and effectively, in all material aspects, based on the current risk management and internal control system of the Group.

7. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The Statement has been reviewed by the External Auditor for the inclusion in the annual report of Perangsang Selangor Group for the year ended 31 December 2015. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 31 December 2015.

MEMBERSHIP

The Audit Committee comprises the following members:

Chairman: YBhg Dato' Idris Bin Md Tahir

Independent Non-Executive Director

Members: Encik Mustaffa Kamil Bin Ayub

Senior Independent Non-Executive Director

YB Sivarasa a/l Rasiah

Independent Non-Executive Director

YM Raja Dato' Haji Idris Raja Kamarudin Non-Independent Non-Executive Director

Encik Rosely @ Mohamed Ross Bin Mohd Din

Independent Non-Executive Director

MEETING ATTENDANCE

A total of eight (8) Audit Committee meetings were held during the financial year ended 31 December 2015. The details of attendance of the Audit Committee members are as follows:

COMMITTEE MEMBER	MEETINGS ATTENDED
YBhg Dato' Idris Bin Md Tahir *	7/8
Encik Mustaffa Kamil Bin Ayub	8/8
YB Sivarasa a/l Rasiah *	7/8
YM Raja Dato' Haji Idris Raja Kamarudin ^	5/8
Encik Rosely @ Mohamed Ross Bin Mohd Din	8/8

NOTES:

- * YBhg Dato' Idris Bin Md Tahir and YB Sivarasa a/l Rasiah were unable to attend one (1) Audit Committee meeting due to unforeseen circumstances.
- ^ YM Raja Dato' Hj Idris Raja Kamarudin did not attend three (3) Audit Committee meetings during the year in review as he was deemed interested Director in the subject transactions relating to the corporate proposals.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Purpose

The primary objective of the Audit Committee (as a sub-committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls.

2. Composition

The Audit Committee shall be appointed by the Directors amongst their numbers, who fulfils the following requirements:

- comprised no fewer than three (3) Directors,
- all members must be Non-Executive Directors of which the majority of whom shall be Independent Non-Executive Directors of the Company,
- at least one (1) member must be a member of MIA or have the relevant qualifications and experience as specified in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"),
- The Chairman of the Audit Committee shall be an Independent Director, and
- No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall review the terms of office of each of its members at least once (1) every three (3) years.

3. Authority

The Audit Committee is fully authorised by the Board to independently investigate without interference from any party any activity within its term of reference. It shall have:

- Full and unrestricted access to any information pertaining to the Company and the Group;
- b) Direct communication channels with both the External Auditors and Internal Auditors;
- Full access to any employee or member of the management; and
- d) The resources, which are required to perform its duties.

The Audit Committee is also authorised by the Board to obtain external legal or other independent professional advice it considers necessary and reasonable for the performance of its duties.

4. Reporting Responsibilities

The Audit Committee will report to the Board on the nature and extent of the functions performed by



it and may make such recommendations to the Board on any audit and financial reporting matters as it may deem fit.

If the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the Audit Committee has the responsibility for reporting such matters to the relevant authority(s). The Audit Committee shall have the discretion to undertake such action independently from the Board.

5. Duties and Responsibilities

The Audit Committee is to be provided with sufficient resources to undertake its duties. In fulfilling its primary objectives, the Audit Committee will need to undertake inter-alia the following functions:

- a) To review and discuss with the External Auditors the nature and scope of their audit plans, their evaluation of the system of internal controls, their reports and findings, and their management letter as well as management's response;
- b) To discuss problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss (in the absence of management, where necessary). Notwithstanding this, the Audit Committee shall meet at least twice a year with the External Auditors to discuss any matter with the Audit Committee without the presence of members of the Executive Board or Management.
- To report regularly to the Board issues and concerns discussed during their meetings including those raised by the External Auditors and where appropriate, make necessary recommendations to the Board;
- d) To review the quarterly results and year-end financial statements of the Company and the Group prior to submission to the Board and Bursa Securities , focusing particularly on changes in accounting policies and practices, significant audit adjustments, going concern assumptions, and compliance with accounting standards and other legal requirements;
- e) To review and deal with 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 questions of management integrity.
- f) To verify the allocation of the Employees Share Option Scheme ("ESOS") as being in compliance with the criteria set by the ESOS Committee and in compliance with the ESOS By-Laws at the end of each financial year.
- g) In relation to the internal audit function, the Audit Committee are to perform the following:
 - To review the adequacy of the scope, functions and resources of the internal audit function and ensure that it has the necessary authority to carry out its work,

- and monitor and review the effectiveness of the Company's Internal Audit function;
- To review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function:
- Review any appraisal or assessment of the performance of members of the internal audit function;
- Approve any appointment or termination of senior staff members of the internal audit function; and
- Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- To establish policies and procedures to assess the suitability and independence of External Auditors.
- To consider other related matters, as defined by the Board.

THE INTERNAL AUDIT FUNCTION

The Group has an in-house Internal Audit function that reports directly to the Audit Committee.

The main role of the Internal Audit function is to provide reasonable assurance that the systems of internal control as established by Management are adequate, and are operating satisfactorily and effectively.

During the year, the Internal Audit Function had undertaken independent and objective reviews of the system of internal controls that included governance and risk management of major areas within the Group operations. The Internal Audit reports were deliberated by the Audit Committee and the recommendations were duly implemented by Management.

The Internal Audit approach is based on the IIA's International Professional Practices Framework and has taken into consideration the following for the purpose of audit planning:

- Key issues affecting the company such as liquidity and regulatory compliance;
- ii. Key Business drivers affecting the revenue, expenses, assets and liability of the company;
- iii. Past year's internal audits;
- iv. Perangsang Selangor Group's Key Risk Profile.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2015 amounted to RM 888,515.

The internal audit activities carried out for the financial year included, inter-alia, the following:

- Ascertained the extent of compliance with the established Group policies, procedures and statutory requirements.
- Reviewed related party transactions.



- Prepared, presented and sought the Audit Committee's approval of the annual audit plan for the Group.
- Evaluated the efficiency of processes, functions and current practices, and provided suitable recommendations to the Audit Committee.
- Prepared audit reports and sought management response on the issues found and highlighted in the report. Upon incorporating the response of Management into the final reports, the same were circulated to the Audit Committee.
- During the year the Group Internal Audit Department has completed 20 audit reviews and ad-hoc assignments covering several companies and functions within the group such as the following:
 - Group Compensation and Benefits compliance to Employment Act 1955 and the established policies and procedures.
 - Asset and Property Management monitoring of services deliverables of the appointed contactors, tenancy management, procurement and preventive maintenance activities.
 - III. Legal Department.
 - IV. Account Receivable and Account Payable covering all KPS Group of companies including Aqua-Flo Sdn Bhd.
 - V. Quality Hotel City Centre operation and efficiency of guest services.
 - VI. Fixed Asset compliance to established policies and procedures.
 - VII. Group Risk Management Department.
 - VIII. Related Party Transactions and Recurrent RPT process-Reporting, monitoring and compliance to Bursa Malaysia Listing Requirements.
 - IX. Reviews on Impairment of Assets by the Finance and Admin Department.
 - X. Follow Up Audits.
 - XI. Conducted several special reviews based on issues highlighted through the management concerns.
 - XII. Verification on the salary back paid of Brisdale Hotel and PTGC.
 - XIII. Verification on the Fixed Asset of Quality Hotel City Centre.
 - XIV. Special reviews as directed by the Audit Committee.

For the year under review, the Audit Committee is satisfied with the internal audit function carried out by the Group Internal Audit Department.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee has:

- a) Financial Reporting
 - Reviewed and sought Management's explanation and recommended actions on

- the quarterly and annual financial results and performance of the Company and the Group prior to submission to the Board of Directors for consideration and approval;
- Reviewed and sought management explanation on related party transactions entered into by the Company and the Group, and reported the same to the Board of Directors.

b) Internal Audit

- Reviewed audit plans for the year for the Company and the Group as prepared and reported by the internal auditors.
- Reviewed, discussed and sought management explanation on the audit reports before reporting the same to the Board of Directors;
- Kept updated on Management's implementation of the internal audit recommendations on outstanding issues to ensure that all key risks and control weaknesses were being properly addressed;
- Reviewed the AC Report and the Statement of Risk Management and Internal Controls;
- v. Held private meetings and discussions with the internal auditors on key internal controls and internal audit related matters.

c) External Audit

- Reviewed and discussed with the external auditors the nature and scope of the audit plan for the year prior to the commencement of the audit and made recommendation to the Board on their re-appointment and remuneration;
- Discussed significant accounting and auditing issues, impact or new proposed changes in accounting standards and regulatory requirements;
- iii. Held meetings with the external auditors without the Management's presence to enable an open discussion with the BAC and ensure the external auditors were not restricted in their scope of audit and to raise any pertinent issues that require AC's attention.
- iv. The AC worked closely with the external auditors in establishing procedures to assess the suitability, objectivity, independence and quality of service of the external auditors, in confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set by the Malaysian Institute of Accountant. The AC also ensured that the external auditors met the criteria provided by the Chapter 15 (15.21 External Auditor) of the Listing Requirements of Bursa Malaysia Securities Berhad.

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries and associates are described in Notes 16 and 17 to the financial statements.

There has been no significant change in the nature of the principal activities during the financial year.

RESULTS

48,925	2,495
10,014	-
58,939	2,495
46,232	2,495
9,097	-
55,329	2,495
2,693	-
917	-
3,610	-
58,939	2,495
	58,939 46,232 9,097 55,329 2,693 917 3,610

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the disposal of a subsidiary company which resulted in an increase in the Company's profit for the year by RM32,011,000 as disclosed in Note 5 and a reduction in the Group's profit for the year by RM32,493,000 as disclosed in Note 7 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2014 were as follows:

	RM′000
In respect of the financial year ended 31 December 2014 as reported in the directors' report of that year:	
Single-tier final dividend for 2014: 2 sen per ordinary share, on 499,004,119 ordinary shares, declared on 24 June 2015 and paid on 21 August 2015	9,980
In respect of the financial year ended 31 December 2015:	
Single-tier first interim dividend for 2015: 2 sen per ordinary share on 499,004,119 ordinary shares, declared on 26 February 2015 and paid on 23 March 2015	9,980

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2015, of 2 sen per ordinary share on 499,004,119 ordinary shares, amounting to a dividend payable of RM9,980,082 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

DIRECTORS

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

YM Raja Dato' Haji Idris Raja Kamarudin
Suhaimi bin Kamaralzaman
YB Dato' Kamarul Baharin bin Abbas
YB Sivarasa a/l Rasiah
Mustaffa Kamil bin Ayub
YBhg Dato' Dr. Mohamed Ariffin bin Aton
Rosely @ Mohamed Ross bin Mohd Din
YBhg Dato' Idris bin Md Tahir
YM Raja Shahreen bin Raja Othman
Soffan Affendi bin Aminudin (Alternate director to
YM Raja Shahreen bin Raja Othman)

(Resigned on 5 November 2015)





DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Notes 8, 9 and 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 45(b) to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares of the Company or related corporations during the financial year were as follows:

	<> Number of ordinary shares of RM1 each>				
	1.1.2015	Acquired	Disposed	31.12.2015	
The Company					
YM Raja Dato' Idris Haji Raja Kamarudin Mustaffa Kamil bin Ayub	27,047 26,720			27,047 26,720	
Rosely @ Mohamed Ross bin Mohd Din YB Dato' Kamarul Baharin bin Abbas	10,320 5	1	-	10,320 5	
Suhaimi bin Kamaralzaman	10,000		-	10,000	

None of the other directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.



OTHER STATUTORY INFORMATION (cont'd.)

- b) At the date of this report, the directors are not aware of any circumstances which would render:
 - i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e) As at the date of this report, there does not exist:
 - i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- f) In the opinion of the directors:
 - i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are disclosed in Note 52 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 March 2016.

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN

SUHAIMI BIN KAMARALZAMAN



STATEMENT BY DIRECTORS

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

We, YM Raja Dato' Idris Haji Raja Kamarudin and Suhaimi bin Kamaralzaman, being two of the directors of Kumpulan Perangsang Selangor Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 67 to 209 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965, in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 53 to the financial statements on page 210 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 March 2016.

YM RAJA DATO' HAJI IDRIS RAJA KAMARUDIN

SUHAIMI BIN KAMARALZAMAN

STATUTORY DECLARATION

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

I, Suzila binti Khairuddin, being the officer primarily responsible for the financial management of Kumpulan Perangsang Selangor Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 67 to 210 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Suzila binti Khairuddin at Shah Alam in Selangor Darul Ehsan on 31 March 2016

SUZILA BINTI KHAIRUDDIN

Before me,



INDEPENDENT AUDITORS' REPORT

to the members of Kumpulan Perangsang Selangor Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kumpulan Perangsang Selangor Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 67 to 210.

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 Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

to the members of Kumpulan Perangsang Selangor Berhad (cont'd.) (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia ("the Act"), 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 16 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out in Note 53 to the financial statements on page 210 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Ernst & Young
AF: 0039
Chartered Accountants

Abraham Verghese A/L T.V. Abraham No. 1664/10/16(J) Chartered Accountant

Kuala Lumpur, Malaysia 31 March 2016



INCOME STATEMENTS

for the financial year ended 31 December 2015

		Gro	Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
Continuing Operations						
Revenue	3	85,101	87,700	12,571	14,683	
Cost of sales	4	(62,454)	(57,330)	-	-	
Gross profit		22,647	30,370	12,571	14,683	
Other income	5	4,016	5,950	37,107	5,317	
Administrative expenses		(31,543)	(35,245)	(22,588)	(26,653)	
Selling and marketing expenses		(473)	(701)	-	_	
Other expenses		(42,623)	(17,443)	(24,313)	(3,223)	
Operating (loss)/profit		(47,976)	(17,069)	2,777	(9,876)	
Finance costs	6	(12,148)	(7,467)	(270)	(667)	
Share of profit of associates		111,027	149,983	_	_	
Profit/(loss) before tax and zakat	7	50,903	125,447	2,507	(10,543)	
Income tax and zakat	10	(1,978)	(1,681)	(12)	89	
Profit/(loss) after tax and zakat from continuing operations, net of tax and zakat		48,925	123,766	2,495	(10,454)	
Discontinued Operations						
Profit/(loss) from discontinued operations, net of tax and zakat	11(a)(b)	10,014	(6,116)	_	_	
Profit/(loss) net of tax and zakat		58,939	117,650	2,495	(10,454)	
Profit/(loss) attributable to:						
Owners of the parent:		46,232	120,869	2,495	(10,454)	
-Continuing operations -Discontinued operations		9,097	(5,302)	2,473	(10,434)	
-Discontinued operations		55,329	115,567	2,495	(10,454)	
Non-controlling interests:						
-Continuing operations		2,693	2,896			
-Discontinued operations		917	(813)			
-Discontinued operations		3,610	2,083	-	-	
		58,939	117,650	2,495	(10,454)	

INCOME STATEMENTS

for the financial year ended 31 December 2015 (cont'd.)

		Gro	up	Com	pany
	Note	2015 sen	2014 sen	2015 sen	2014 sen
Earnings/(loss) per share attributable to owners of the parent (sen per share):					
Basic					
-Continuing operations	12	9.26	24.22	-	-
-Discontinued operations	12	1.82	(1.06)	-	-
		11.08	23.16	-	-
Dividend per share	13	4.00	4.00	4.00	4.00

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
		ı		ı
Profit/(loss) net of tax and zakat	58,939	117,650	2,495	(10,454)
Other comprehensive income Other comprehensive income to be reclassified to profit or loss in subsequent periods: Share of other comprehensive				
income of an associate Total comprehensive income/(loss) for the year	 58,939	(33) 117,617	2,495	(10,454)
Total comprehensive income/(loss) attributable to: Owners of the parent: -Continuing operations -Discontinued operations	46,232 9,097	120,836 (5,302)	2,495	(10,454)
	55,329	115,534	2,495	(10,454)
Non-controlling interests: -Continuing operations	2,693	2,896	-	-
-Discontinued operations	917	(813)	-	-
	3,610	2,083	-	-
	58,939	117,617	2,495	(10,454)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

		Gı	roup	Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
ASSETS			1		
Non-current assets	7				
Property, plant and equipment	14	130,619	138,993	11,279	11,447
Investment properties	15	6,510	6,573	51,407	54,491
Investment in subsidiaries	16		-	225,081	271,124
Investment in associates	17	1,037,889	924,463	133,008	133,008
Club memberships		523	733	523	523
Concession rights	18	-	267,919	-	-
Intangible asset	19		-		-
Goodwill on consolidation	20	2,020	119,235		-
Long term receivable	21	-	-	-	_
Concession receivable	22		224,467		_
		1,177,561	1,682,383	421,298	470,593
Current assets					
Inventories	23	1,186	1,929	-	-
Trade receivables	25	23,123	630,915	250	144
Other receivables	26	3,060	5,930	2,555	2,299
Other current assets	27	50	137,512	-	-
Amount due from immediate holding					
company	28(a)	12,116	133,910	1,433	123,177
Amounts due from subsidiaries	28(b)	-	-	236,455	79,605
Amounts due from related companies	28(c)	4,965	3,435	1,342	3,266
Amount due from an associate	28(d)	4,574	4,394		-
Dividend receivable		-	-		570
Tax recoverable		265	1,378		135
Cash and bank balances	29	92,558	164,474	55,926	86,078
		141,897	1,083,877	297,961	295,274
Assets of disposal group classified as held for sale	11(b)	42,530	42,530		-
TOTAL ASSETS		1,361,988	2,808,790	719,259	765,867

		Gı	roup	Cor	mpany
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
EQUITY AND LIABILITIES					1
Equity attributable to owners of the parent					
Share capital	41	499,004	499,004	499,004	499,004
Share premium	42	39,088	39,088	39,088	39,088
Other reserves	43	8,000	110,080	8,000	8,000
Retained earnings	44	691,123	552,182	135,165	152,630
Shareholders' equity		1,237,215	1,200,354	681,257	698,722
Non-controlling interests		17,432	22,787		
TOTAL EQUITY		1,254,647	1,223,141	681,257	698,722
NI					
Non-current liabilities					
Loans and borrowings	30	88	584,122	-	-
Government soft loan	33	1	15,627	-	-
Provision for concession liability	34	-	207,887	-	-
Accrued lease rental	35	-	108,044	-	-
Deferred membership income	36	-	-	-	-
Deferred tax	37	31	121,253		-
		119	1,036,933	-	-
Current liabilities					
Trade payables	38	19,059	28,084	1,340	1,973
Other payables	39	57,416	80,681	5,997	6,771
Amount due to immediate holding	404.5				
company	40(a)	203	190	- (40	-
Amounts due to subsidiaries	40(b)	-	-	642	58,378
Amounts due to related companies	40(c)	38	50	23	23
Loans and borrowings	30	30,042	439,134	30,000	-
Tax payable		464	577	- 20,000	- (7.145
TOTAL LIABILITIES		107,222	548,716	38,002	67,145
TOTAL LIABILITIES		107,341	1,585,649	38,002	67,145
TOTAL EQUITY AND LIABILITIES		1,361,988	2,808,790	719,259	765,867

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2015

				4 Z	Attributable to owners of the parent Non-distributable	owners of the p		> Distributable	
Group	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM/000 (Note 41)	Share premium RM/000 (Note 42)	Other reserves, total RM'000 (Note 43)	Revaluation reserve RM′000	General reserve RM'000	Retained earnings RM'000	Non- controlling interests RM'000
At 1 January 2015	1,223,141	1,200,354	499,004	39,088	110,080	102,080	8,000	552,182	22,787
Total comprehensive income	58,939	55,329	ı	ı	I	I	I	55,329	3,610
Transactions with owners									
Dividends on ordinary shares (Note 13)	(19,960)	(19,960)	1	1	ı	1	ı	(19,960)	1
Dividends of subsidiaries Disposal of a subsidiary company	(240) (7,233)	1,492	1 1	1 1	(102,080)	(102,080)	1 1	103,572	(240)
Total transactions with owners	(27,433)	(18,468)	1	1	(102,080)	(102,080)	1	83,612	(8,965)
At 31 December 2015	1,254,647	1,237,215	499,004	39,088	8,000		8,000	691,123	17,432

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2015 (cont'd.)

				Ą Ż	Attributable to owners of the parent Non-distributable	owners of the p	arent	Distributable	
Group	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000 (Note 41)	Share premium RM'000 (Note 42)	Other reserves, total RM'000 (Note 43)	Revaluation reserve RM'000	General reserve RM'000	Retained earnings RM'000	Non- controlling interests RM'000
At 1 January 2014	1,126,824	1,104,780	499,004	39,088	110,080	102,080	8,000	456,608	22,044
Total comprehensive income	117,617	115,534	ı	ı	ı	ı	ı	115,534	2,083
Transactions with owners									
Dividends on ordinary shares (Note 13) Dividends of subsidiaries	(19,960)	(19,960)	1 1	1 1	1 1	1 1	1 1	(19,960)	- (1.340)
Total transactions with owners	(21,300)	(19,960)	1		1	1	1	(19,960)	(1,340)
At 31 December 2014	1,223,141	1,200,354	499,004	39,088	110,080	102,080	8,000	552,182	22,787

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2015

		\ \ \ \	Non-dist	< Non-distributable	^	Distributable
Company	Equity, total RM'000	Share capital RM'000 (Note 41)	Share premium RM'000 (Note 42)	Other reserves, total RM'000 (Note 43)	General reserve RM′000	Retained earnings RM'000 (Note 44)
At 1 January 2015 Total comprehensive income	698,722	499,004	39,088	000'8	8,000	152,630 2,495
Transactions with owners Dividends on ordinary shares (Note 13)	(19,960)	1	1	1	1	(19,960)
At 31 December 2015	681,257	499,004	39,088	8,000	8,000	135,165
At 1 January 2014 Total comprehensive income	729,136 (10,454)	499,004	39,088	000'8	000'8	183,044 (10,454)
Transactions with owners Dividends on ordinary shares (Note 13)	(19,960)	1	1	1	1	(19,960)
At 31 December 2014	698,722	499,004	39,088	8,000	8,000	152,630

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2015

		Gro	up	Com	pany	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
Operating activities						Γ
Profit/(loss) before tax and zakat						ı
-Continuing operations		50,903	125,447	2,507	(10,543)	
-Discontinued operations	11	26,203	4,823	-	-	
Adjustments for:						
Interest expense	6,11	53,476	48,102	270	667	
Unwinding of discounting of:						
-FRSB	11(a)	15,005	17,308	-	-	
-BaIDS	6	-	760	-	-	
-Provision for concession liability	11(a)	15,414	17,811	-	-	
-Accrued lease rental	11(a)	7,614	10,867	-	-	
-Government soft loan	33	1,176	226	-	-	
Fair value gain on government soft loan	33	(2,145)	(10,656)	-	-	н
Profit from Islamic short term placements	5,11	(1,560)	(3,481)	-	(2,406)	н
Interest income from:						
-Subsidiaries	5	-	-	(2,983)	(1,811)	н
-Immediate holding company	5	(525)	-	(525)	-	
-Fixed deposits	5,11	(489)	(2,080)	(49)	(32)	н
-Others	5	(182)	(184)	(2)	(4)	н
Gain on fair value of money market						н
deposits	5	(1,740)	(806)	(1,460)	(599)	н
Notional income on unwinding of						н
discounting of:						н
-Loans and receivables	11(a)	(5,023)	(6,804)	-	-	н
-Concession receivable	11(a)	(18,765)	(10,812)	-	-	н
-Gross amount due from customer	11(a)	(10,482)	(13,583)	-	-	н
Property, plant and equipment:						н
-Depreciation	7,11	7,801	9,039	325	642	н
-Written off	7,11	48	1,272	-	-	н
Bad debts written off	7	5	60	5	60	н
Reversal of allowance for impairment on financial assets:						ı
-Trade receivables	11(b)	(92)	_	_	_	
-Other receivables	5	_	(175)	_	_	
Impairment loss on financial assets:			(1.5)			
-Trade receivables	7,11	59,628	102,067	33	103	
Deferred expenditure written off	7	86	, , , , , ,	86		

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2015 (cont'd.)

		Gro	oup	Com	pany
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Operating activities (cont'd.)					
Amortisation of deferred membership income Remeasurement of intangible asset Dividend income from: -Subsidiary -Associates Amortisation of intangible asset Amortisation of concession rights Depreciation of investment properties Net loss/(gain) on disposal of: -A subsidiary company -Associates -Property, plant and equipment Write back of liabilities Waiver of amount due from subsidiary company	36 11(a) 3 3 11(a) 11(a) 7 11(b) 5,7,11 5,11	(12,747) 16,745 87 32,493 - 43 (148)	(106) (23,030) - - 964 16,745 85 - (12,828) 531 (520)	- (3,000) - 3,108 (32,011) - - - 21,132	- (570) (600) - - 3,106
Share of profit of associates Operating profit/(loss) before working capital changes Decrease/(increase) in inventories (Increase)/decrease in receivables (Decrease)/increase in payables Net movement in intercompany balances Cash generated from/(used in) operations Zakat paid (Tax paid, net of refunds received)/tax refund, net of tax paid Net cash generated from/(used in)	17,11(b)	(111,027) 121,802 743 (41,065) (55,857) (1,342) 24,281 (458) (4,370)	(149,703) 121,339 (323) (80,715) 5,239 (3,128) 42,412 (399) (7,077)	(12,564) - 89 (1,407) 3,958 (9,924) (12)	(11,987) (739) (740) (149) (13,615) (12)
operating activities		19,453	34,936	(9,801)	(13,627)

		Gro	oup	Con	npany
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Investing activities					
Net dividends received from associates		3,000	6,600	3,000	600
Interest received Profit from Islamic short term placements Purchase of:	5,11	489 1,560	2,264 3,481	51 -	36 2,406
-Property, plant and equipment -Investment properties	14 15	(2,536) (24)	(2,666)	(158) (24)	(207) (619)
Proceeds/(outflow) from disposal of: -Property, plant and equipment		104	918	1	-
-Subsidiary -Associate	11(a)	(39,757)	19,000	-	-
Withdrawal/(placements) of money market deposits Additional investment in subsidiaries		27,690	(79,784)	27,661	(78,755)
Additional investment in associates		(5,400)	(3,000)	-	-
Net cash (used in)/generated from investing activities		(14,874)	(53,187)	30,531	(79,539)
Financing activities					
Interest paid Dividend paid on ordinary shares Advances to subsidiaries	13	(53,476) (20,200)	(48,102) (21,300)	(270) (19,960) (34,701)	(667) (19,960) (14,500)
Repayment of advances from subsidiaries Drawndown of loans and borrowings		30,000	10,000	250 30,000	59,508 10,000
Repayment of loans and borrowings Repayment of obligations under finance leases		(10,000)	(75,000)		(75,000)
Proceeds from government soft loan Net movement in deposits with licensed		(47) 3,178	(48) 23,555	-	-
banks		4,664	(12,343)	(34)	(32)
Net cash used in financing activities		(45,881)	(123,238)	(24,715)	(40,651)
Net decrease in cash and cash equivalents Cash and cash equivalents at 1 January		(41,302) 60,959	(141,489) 202,448	(3,985) 5,692	(133,817) 139,509
Cash and cash equivalents at 31 December (Note 29)		19,657	60,959	1,707	5,692

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



for the financial year ended 31 December 2015

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 16th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan.

The immediate holding company of the Company is Kumpulan Darul Ehsan Berhad ("KDEB"), a company incorporated in Malaysia, and the ultimate holding corporation is Menteri Besar Selangor (Pemerbadanan), a corporate body formed under Enactment No.3 of the Menteri Besar Selangor (Incorporation), Enactment 1994.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries and associates are described in Notes 16 and 17 to the financial statements. There has been no significant changes in the nature of the principal activities during the financial year.

Related companies refer to companies within the KDEB group.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 March 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. In the beginning of the current financial year, the Group and the Company adopted new and revised FRS, which are mandatory for financial periods beginning on or after 1 January 2015 as described fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2015.

Description	Effective for annual periods beginning on or after
Amendment to FRS 2 : Share-based Payment (Annual Improvement to FRS 2010-2012 Cycle)	1 July 2014
Amendment to FRS 3 : Business Combinations (Annual Improvement to FRS 2010-2012 Cycle)	1 July 2014
Amendment to FRS 3 : Business Combinations (Annual Improvement to FRS 2011-2013 Cycle)	1 July 2014
Amendment to FRS 8 : Operating Segments (Annual Improvement to FRS 2010-2012 Cycle)	1 July 2014
Amendment to FRS 13 : Fair Value Measurement (Annual Improvement to FRS 2011-2013 Cycle)	1 July 2014
Amendment to FRS 116 : Property, Plant and Equipment (Annual Improvement to FRS 2010-2012 Cycle)	1 July 2014
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Amendment to FRS 124 : Related Party Disclosures (Annual Improvement to FRS 2010-2012 Cycle)	1 July 2014
Amendment to FRS 138 : Intangible Assets (Annual Improvement to FRS 2010-2012 Cycle)	1 July 2014
Amendment to FRS 140 : Investment Property (Annual Improvement to FRS 2011-2013 Cycle)	1 July 2014

Adoption of the above standards did not have any significant effect on the financial performance or position of the Group and of the Company.

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
FRS 14 : Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations	1 Junuary 2010
(Annual Improvement to FRS 2012-2014 Cycle)	1 January 2016
Amendments to FRS 7 : Financial Instruments : Disclosures (Annual Improvement to FRS 2012-2014 Cycle)	1 January 2016
Amendments to FRS 10 and FRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to FRS 10, FRS 12 and FRS 128 : Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 101 : Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141 : Agriculture : Bearer Plants	1 January 2016
Amendments to FRS 119 : Employee Benefits (Annual Improvement to FRS 2012-2014 Cycle)	1 January 2016
Amendments to FRS 127 : Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 134 : Interim Financial Reporting (Annual Improvement to FRS 2012-2014 Cycle)	1 January 2016
MFRS 15 : Revenue from Contracts with Customers	1 January 2018
MFRS 9 : Financial Instruments	1 January 2018

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except as discussed below:

2.3 Standards issued but not yet effective (cont'd.)

(a) Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

On 7 August 2013, the MASB issued another announcement that Transitioning Entities would only be required to adopt the MFRS framework for the annual periods beginning on or after 1 January 2015. Subsequently, on 2 September 2014, MASB has further announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

On 28 October 2015, the MASB issued another announcement that the Transitioning Entities would only be required to adopt the MFRS Framework for the annual periods beginning on or after 1 January 2018.

The Company falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

The Company is in the process of making its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the years ended 31 December 2014 and 31 December 2015 could be different if prepared under the MFRS Framework.

The Company expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

(b) Amendments to FRS 101: Disclosure Initiative

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- (i) Materiality
- (ii) Disaggregation and subtotals
- (iii) Notes structure
- (iv) Disclosure of accounting policies
- (v) Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Group and the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

(c) MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, such as when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

2.3 Standards issued but not yet effective (cont'd.)

(d) MFRS 9: Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9.

The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities.

2.4 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

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

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

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

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

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income.

If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.4(h)(i).

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(b) Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

(c) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determineed

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currencies translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

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

(d) Property, plant and equipment

Long term leasehold land

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment except freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in interval, the Group recognises such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

20119 201111 10000110101	, , , , , , , , , , , , , , , , , , , ,
Buildings and clubhouse	2% - 10%
Motor vehicles	20%
Office equipment, hotel furniture and fittings:	
- Office and hotel furniture, fittings and equipment	10% - 50%
Computer and office agricument	100/ 22 220/

- Computer and office equipment 10% - 33.33% - Office renovation 10%

Capital work-in-progress included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

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for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(e) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at costs less accumulated depreciation and impairment losses, consistent with the accounting policy of property, plant and equipment as described in Note 2.4(d).

Depreciation of investment properties is provided for on straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives, at the annual rate of 2% per annum for buildings.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

(f) Service concession arrangements

The Group recognises revenue from the construction and upgrading of the infrastructure in accordance with its accounting policy for construction contracts set out in Note 2.4(o). Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amount are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction service. Financial assets are accounted for in accordance with the accounting policy set out in Note 2.4(l).

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the concession contracts or that increase future revenue are recognised as additions to the intangible asset and are stated at cost. Capital expenditures necessary to support the Group's operation as a whole are recognised as property, plant and equipment, and accounted for in accordance with the policy stated under property, plant and equipment in Note 2.4(d). When the Group has contractual obligations that it must fulfill as a condition of its license to: a) maintain the infrastructure to a specified standard or, b) to restore the infrastructure when the infrastructure has deteriorated below a specified condition, it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 2.4(q). Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in the profit or loss as incurred.

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

(g) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Where the grant relates to an asset, the fair value is recognised as deferred capital grant in the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

(h) Intangible assets

(i) Goodwill on consolidation

Goodwill on consolidation is initially measured at cost. Following initial recognition, goodwill on consolidation is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill on consolidation acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill on consolidation has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill on consolidation, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill on consolidation are not reversed in subsequent periods.

(ii) Concession rights

Concession rights acquired separately are measured initially at cost. The cost of concession rights acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, concession rights are measured at cost less any accumulated amortisation and accumulated impairment losses.

Concession rights with finite useful lives are amortised on the unit of production method and assessed for impairment whenever there is an indication that concession rights may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected level of water production or any revision in the concession period are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(i) Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously involved where the revaluation was taken to other comprehensive income up to the amount of any previous revaluation.

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

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

(j) Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

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

(k) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of the investee over cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Company's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Company's share of losses in an associate equal or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(k) Associates (cont'd.)

After application of the equity method, the Company determines whether it is necessary to recognise any additional impairment losses with respect to its net investment in the associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial assets. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Company's interest in an associate decreases but does not result in a lost of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

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

(I) Financial assets

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

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

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets 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. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or noncurrent. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

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

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

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

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

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(m) Impairment of financial assets

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

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables. If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency of significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

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

(n) Cash and bank balances

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(ii) Money market deposits

Money market deposits are placements made in cash management fund with financial institutions which are designated upon initial recognition as financial assets at fair value through profit or loss.

(o) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where 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. Contract costs are recognised as expense in the period in which they are incurred.

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 contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(p) Inventories

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

Cost of inventories for food, beverages and trading goods are determined on a weighted average basis and comprises costs of purchase.

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

(q) Provisions

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

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

(r) Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

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

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

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

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

(r) Financial liabilities (cont'd.)

(ii) Other financial liabilities

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

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

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

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

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

(s) 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.

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

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(t) Borrowing costs

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

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

(u) Employee benefits

Defined contribution plans

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

(v) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are charged to profit or loss. Contingent rents, if any are charged as expenses in the periods in which they are incurred.

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

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

(v) Leases (cont'd.)

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs included in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(w)(x).

(w) Revenue and other income

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

(i) Sale of goods

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

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.4(o).

(iii) Sale of treated water

Sale of treated water represents invoiced value of bulk quantity of water supplied to Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS").

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(w) Revenue and other income (cont'd.)

(iv) Notional income on unwinding of discounting of gross amount due from customer

Notional income on unwinding of discounting of gross amount due from customer is accrued on a time proportion basis taking into consideration the outstanding receivables and the effective applicable discount rate. The amount is derived from the difference of the present value of future revenue and the total revenue recognised over the concession period.

(v) Revenue from hotel operations, golf club and recreational facilities

Revenue from rental of hotel rooms, sale of food and beverage, sports and recreation and other related income are recognised on an accrual basis.

(vi) Licence and membership fees

A fixed quantum of the golfing license fees and the non-golfing membership fees which approximates 11% of the total fees is recognised as initial annual fee in the year the membership is accepted. The balance is recognised on a fixed annualised amount on a straight-line basis over the term of 15 years.

(vii) Management fees

Management fees are recognised when services are rendered.

(viii) Interest income

Interest income is recognised using the effective interest rate method.

(ix) Dividend income

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

(x) Rental income

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

(xi) Profit from Islamic short term placements

Profit from Islamic short term placements is recognised on a time proportion basis using the effective profit rate method.

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

(x) Income taxes

(i) Current tax

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

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

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(x) Income taxes (cont'd.)

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(iv) Good and service tax ("GST")

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the statement of financial position.

(y) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assessed the segment performance. Additional disclosures on each of these segments are shown in Note 51, including the factors used to identify the reportable segments and the measurement basis of segment information.

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

(z) Fixed Rate Serial Bonds ("FRSB")

The FRSB are bonds issued at discount to its nominal value of RM728 million. The FRSB are issued in series of up to 15 years from the date of issue.

FRSB are initially recognised at cost, being the fair value of the consideration received. After initial recognition, the FRSB are subsequently measured at amortised cost using the effective interest method.

(aa) Bai' Bithaman Ajil Islamic Debts Securities ("BaIDS")

The BaIDS are bonds issued in accordance with the Islamic financing concept of Bai' Bithaman Ajil. In accordance with such concept, the Group sold certain assets to primary subscriber (a financial institution), and repurchased them back at the same price together with an agreed profit margin. The payment of the purchase price is deferred in accordance with the maturities of the BaIDS, whilst the profit element is paid half yearly.

BaIDS are initially recognised at cost, being the fair value of the consideration received. After initial recognition, the profit element attributable to the BaIDS for assets in operation in each period is recognised as an expense at a constant rate to the maturity of each series respectively.

(ab) Share capital and share issuance expenses

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

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

(ac) Contingencies

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

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

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

(ad) Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset of liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal of the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

(a) Key sources of estimation uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2015 was RM2,020,000 (2014: RM119,235,000). Further details are disclosed in Note 20 to the financial statements.

(ii) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives up to its residual value. Management reviews the residual values, useful lives and depreciation method at the end of each financial year end and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in the useful lives and residual values of these assets may result in a revision of future depreciation charges.

(iii) Amortisation of intangible assets

The cost of concession rights is amortised based on the straight-line method over the concession period.

for the financial year ended 31 December 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.5 Significant accounting estimates and judgements (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(iv) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the 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.

Where there is objective evidence of impairment, the amount and timing of future cash flow are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the reporting date is disclosed in Note 25.

Changes in the present value of the estimated future cash flows will result in a revision of the Group's allowance for impairment.

(v) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

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

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends, and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

3. REVENUE

	Gro	oup	Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Rental income from:				
Subsidiaries	_	-	269	1,213
Others	8,584	9,119	8,584	9,119
Gross dividends from:				
A subsidiary	-	-	-	570
Associates	-	-	3,000	600
Sale of chemical products	62,474	55,019	-	-
Hotel operations	13,748	20,805	-	-
Management fees	295	2,757	718	3,181
	85,101	87,700	12,571	14,683

4. COST OF SALES

	Gro	Group		pany
	2015 RM'000	2014 RM'000	2015 RM′000	2014 RM'000
Cost of inventories sold Hotel operations	55,178 7,276	47,433 9,897		-
	62,454	57,330	-	-

for the financial year ended 31 December 2015 (cont'd.)

5. OTHER INCOME

	Gro	oup	Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit from Islamic short term placements	259	2,521	-	2,406
Interest income from:				
-Subsidiaries	-	-	2,983	1,811
-Immediate holding company	525	-	525	-
-Deposits with licensed banks	487	416	49	32
-Others	182	184	2	4
Reversal of allowance of impairment on other				
receivables (Note 26)	-	175	-	-
Gain on disposal of:				
-Property, plant and equipment	-	44	-	-
-Investment in a subsidiary (Note 11(a))	-	-	32,011	-
Write-back of liabilities	127	520	-	-
Gain on fair value of money market deposits	1,740	806	1,460	599
Rental income from operating lease, other than				
those relating to investment properties	566	810	-	-
Others	130	474	77	465
	4,016	5,950	37,107	5,317
-				

6. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
				ı
Interest expense on:				
-Bank overdrafts and short term borrowings	270	667	270	667
-Finance lease obligations	6	6	-	-
Profit payment for Bai' Bithaman Ajil Islamic Debt				
Securities ("BaIDS")	11,872	6,034	-	-
Unwinding of discounting on BaIDS	_	760	-	-
	12,148	7,467	270	667

7. PROFIT/(LOSS) BEFORE TAX AND ZAKAT

The following items have been included in arriving at profit/(loss) before tax and zakat from continuing operations:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
		ı		1
Employee benefits expense (Note 8)	19,719	23,616	10,811	12,403
Non-executive directors' remuneration (Note 9)	907	722	754	710
Auditors' remuneration: -Statutory audit -Others	211 73	216 23	97 73	95 8
Property, plant and equipment (Note 14): -Depreciation -Written off -Loss on disposal	6,560 48 81	7,065 1,150 525	325 - -	642
Impairment loss on financial assets: -Trade receivables (Note 25) -Amount due from a subsidiary	57 -	136	33 497	103

for the financial year ended 31 December 2015 (cont'd.)

7. PROFIT/(LOSS) BEFORE TAX AND ZAKAT (cont'd.)

The following items have been included in arriving at profit/(loss) before tax and zakat from continuing operations (cont'd.):

	Gro	oup	Com	pany	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
					Γ
Direct operating expenses of investment properties:					ı
-Revenue generating during the year	5,027	5,445	5,027	5,445	ı
Bad debts written off	5	60	5	60	ı
Hire of plant and machinery	37	49	25	22	ı
Investment properties (Note 15): -Depreciation	87	85	3,108	3,106	ı
Royalty fees	270	291		-	ı
Waiver in intercompany balance (Note 11(a))	-	-	21,132	-	ı
Retrenchment cost	1,864	5,087	-	-	ı
Deferred expenditure written off	86	-	86	-	ı
Loss on realised foreign exchange	31	-	-	-	ı
Loss on disposal of investment in a subsidiary (Note 11(a))	32,493	-	-	-	

8. EMPLOYEE BENEFITS EXPENSE

	Gro	Group		pany
	2015 RM′000	2014 RM'000	2015 RM′000	2014 RM'000
Wages, salaries and bonus	15,478	18,894	8,503	9,861
Defined contribution plan	2,005	2,231	1,097	1,092
Social security contributions	140	178	47	46
Other benefits	2,096	2,313	1,164	1,404
	19,719	23,616	10,811	12,403

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM585,000 (2014: RM1,113,000) and RM174,000 (2014: RM656,000) respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by directors during the year are as follows:

		Gro	oup	Com	pany
	RI	2015 ⁄I'000	2014 RM'000	2015 RM'000	2014 RM'000
					ı
Directors of the Company					
Executive:					
Salaries		174	656	174	656
Non-executive:					
Allowance		328	310	312	310
Fees		493	400	442	400
Benefits-in-kind		286	260	286	260
		1,107	970	1,040	970
		1,281	1,626	1,214	1,626
Directors of subsidiaries					
Executive:					
Salaries		1,056	1,247	-	-
Fees		2	2	-	-
Allowance		1	1	-	-
Benefits-in-kind		35	38	-	-
		1,094	1,288	-	-

for the financial year ended 31 December 2015 (cont'd.)

9. DIRECTORS' REMUNERATION (cont'd.)

	-	Group		Company	
	ı	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors of subsidiaries (cont'd.)					
Non-executive: Allowance		3	3		
Fees		89	9		_
		92	12	-	-
		1,186	1,300	-	-
Total executive directors' remuneration: -continuing operations (Note 8) -discontinued operations (Note 11(a))		585 648	1,113 793	174	656
-discontinued operations (Note 11(a))	\dashv	1,233	1,906	174	656
Total non-executive directors' remuneration: -continuing operations (Note 7) -discontinued operations (Note 11(b))		907	722	754 -	710
		913	722	754	710
		2,146	2,628	928	1,366

An amount of RM55,000 (2014: RM127,000) and RM55,000 (2014: RM55,000) is payable to the immediate holding company and a related company in respect of the services provided by the directors of the Group and the Company respectively.

An amount of RM nil (2014: RM48,000) is receivable by the Company from the subsidiary companies in respect of the services provided by the executive director of the Company.

The number of directors of the Company whose total remuneration generated from the Group during the financial year fell within the following bands is analysed below:

	Number of directors 2015 2014
Executive directors: RM150,001 - RM200,000 RM650,001 - RM700,000	1 - - 1
Non-executive directors: RM50,001 - RM100,000 RM100,001 - RM150,000 RM150,001 - RM200,000	1 - 5 6 2 1

10. INCOME TAX AND ZAKAT

The major components of income tax expense for the years ended 31 December 2015 and 2014 are:

	Group		Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
				ı
Malaysian income tax				
Current income tax from continuing operations	1,585	1,670	-	-
Under/(over) provision in prior years	228 1,813	(114) 1,556	-	(101)
Deferred taxation from continuing operations (Note 37):				
Reversal of temporary differences	(5)	(1,373)		_
Under provision in prior years	2	1,336	_	_
Effect of changes in tax rate	(2)	-		_
	(5)	(37)	-	-
Continuing operations:				
Income tax expense recognised				
in income statement	1,808	1,519	-	(101)
Zakat	170	162	12	12
	1,978	1,681	12	(89)
Discontinued operations (Note 11):				
Current income tax	2,207	2,742		_
(Over)/under provision in prior years	(2,790)	3,905	-	-
	(583)	6,647	-	-
Deferred taxation (Note 37)				
Relating to origination of temporary differences	17,147	6,458		_
Effect of changes in tax rate	(3,226)	, -	-	-
Under/(over) provision of deferred tax	2,563	(2,403)		-
	16,484	4,055	-	-
Income tax expense recognised				
in income statement	15,901	10,702	-	-
Zakat	288	237	-	-
	16,189	10,939	-	-
Total income tax and zakat	18,167	12,620	12	(89)
Total Income tax and zakat	10,107	12,020	12	(07)

for the financial year ended 31 December 2015 (cont'd.)

10. INCOME TAX AND ZAKAT (cont'd.)

Domestic income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The statutory tax rate will be reduced to 24% effective Year of Assessment 2016.

Zakat has been calculated at 2.5% of the adjusted net current assets multiplied by the estimated Muslim equity holding in the Company.

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

	2015 RM'000	2014 RM'000
Group		
Profit before tax and zakat:		
-continuing operations	50,903	125,447
-discontinued operations	26,203	4,823
	77,106	130,270
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	19,277	32,568
Income not subject to tax	(2,677)	(13,949)
Expenses not deductible for tax purposes	30,995	28,681
Effect of share of profits in associates	(27,757)	(37,426)
Utilisation of current year's reinvestment allowances	(300)	(1,958)
Deferred tax assets not recognised in respect of current year's tax losses,		
unabsorbed capital allowances and other deductible temporary differences	3,214	3,315
Deferred tax assets recognised on provision in current year	(1,818)	(1,734)
Under/(over) provision of deferred tax in prior years	2,565	(1,067)
(Over)/under provision of tax expense in prior years	(2,562)	3,791
Effect of changes in tax rate	(3,228)	-
Income tax recognised in income statement	17,709	12,221

10. INCOME TAX AND ZAKAT (cont'd.)

	2015 RM′000	2014 RM'000
Company		
Profit/(loss) before tax and zakat	2,507	(10,543)
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	627	(2,636)
Income not subject to tax	(9,118)	(509)
Expenses not deductible for tax purposes	6,883	2,395
Deferred tax assets not recognised in respect of current year's tax losses,		
unabsorbed capital allowances and other deductible temporary differences	1,608	750
Over provision of tax expense in prior years	-	(101)
Income tax recognised in income statement	-	(101)

Tax savings during the financial year arising from:

	Group	
	2015 RM'000	2014 RM'000
Utilisation of current year tax losses	3,550	1,094

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS

(a) Disposal of a subsidiary company

On 23 June 2014, the Company received an offer letter dated 20 June 2014 in relation to the proposed purchase by KDEB of 90.83% equity in the Titisan Modal Sdn. Bhd. ("TMSB") ("Proposed Acquisition") and the resolution of the RM150.0 million nominal amount Bai-Bithaman Ajil Islamic Debt Securities A ("BaIDS A") and RM50.0 million amount Bai-Bithaman Ajil Islamic Debt Securities B ("BaIDS B") both issued by Viable Chip (M) Sdn. Bhd., a wholly-owned subsidiary of the Company (BaIDS A and BaIDS B are collectively referred to as "VCSB Liability") vide the assumption of such liabilities by KDEB ("Proposed Resolution"), ("Proposed Acquisition and Proposed Resolution are collectively referred to as "Proposals").

On the same day, the Company accepted the offer from KDEB on the Proposals based on the following indicative terms and conditions:

(a) The Proposed Acquisition for indicative consideration of RM78.054 million; and

for the financial year ended 31 December 2015 (cont'd.)

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(a) Disposal of a subsidiary company (cont'd.)

On the same day, the Company accepted the offer from KDEB on the Proposals based on the following indicative terms and conditions (cont'd.):

(b) The Proposed Resolution of the BaIDS A and BaIDS B via KDEB's assumption of the liabilities amounting to an aggregate nominal amount of RM200.0 million as consideration for the settlement of inter-company debt.

On 22 October 2015, the Company had entered into a conditional share purchase agreement ("SPA") in connection with the Proposals with Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"), a wholly-owned subsidiary of KDEB.

Based on the terms of the SPA, the disposal consideration of RM78.054 million, refund of the earnest deposit for the right of first refusal granted by KDEB to the Company of RM87.470 million and advances made by the Company to KDEB between January 2010 and August 2011 of RM34.476 million will be set off against VCSB Liability of RM200.0 million.

The Proposals also entail the Company agreeing that all shareholder's loans and/or inter-company borrowings (and interests accrued thereon) made by the Company to TMSB as at completion date will not be claimed by the Company.

The Proposals were approved by the minority shareholders during the Company's Extraordinary General Meeting held on 9 December 2015. The Proposals were deemed completed on 31 December 2015 upon fulfilment of the conditions precedent and as such TMSB has ceased to be a subsidiary of the Group.

The assets and liabilities of TMSB, together with its wholly-owned subsidiaries, Konsortium Abass Sdn. Bhd. and Rangkai Aman Sdn. Bhd. (collectively known as "TMSB Group"), were no longer included in the consolidated statement of financial position of Perangsang Selangor as at 31 December 2015. The results of TMSB Group has been disclosed as discontinued operation and the comparative statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations. Arising from the disposal, the Group has recorded a loss on disposal of RM32,493,000.

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(a) Disposal of a subsidiary company (cont'd)

The disposal of TMSB Group had the following effects on the financial position and financial performance of the Group for the year ended 31 December 2015

Assets and liabilities of TMSB Group

	Note	As at the date of disposal RM'000
Non-current assets		
Property, plant and equipment Concession rights Club membership Intangible asset Concession receivable	14 18 19 22	2,914 251,174 210 - 202,213 456,511
Current assets Gross amount due from customer on contract Trade and other receivables Tax recoverable Cash and bank balances	24	105,776 693,216 5,165 39,757
	33	19,003 2,000 314,159 1,025
Loans and borrowings Tax payable		

for the financial year ended 31 December 2015 (cont'd.)

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(a) Disposal of a subsidiary company (cont'd.)

Assets and liabilities of TMSB Group (cont'd.)

	Note	As at the date of disposal RM'000
Non-current liabilities		
Loans and borrowings Government soft loan Provision for concession liability Accrued lease rental Deferred tax liabilities	33 34 35 37	513,923 15,836 193,302 102,911 137,701
Goodwill on consolidation Transfer from share option reserves	20	963,673 117,215 1,492 118,707
Net assets Non-controlling interest		119,272 (8,725)
Net assets attributable to the Group Disposal consideration		110,547 (78,054)
Loss on disposal to the Group Disposal consideration settled by: Settlement of intercompany balances	7	78,054
Cash inflow arising from disposal: Disposal consideration Settlement of intercompany balances Settlement of loan and borrowings Cash and cash equivalents of subsidiaries disposed Net cash outflow on disposal		78,054 121,946 (200,000) (39,757)

	Company RM'000
Disposal consideration	78,054
Cost of investment (Note 16)	(46,043)
Gain on disposal to the Company (Note 5)	32,011
Waiver of intercompany balances (Note 7)	(21,132)
	10,879

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(a) Disposal of a subsidiary company (cont'd.)

Results of TMSB Group presented as discontinued operation

	2015 RM'000	2014 RM'000
		1
Revenue	200,858	220,772
Cost of sales	(52,893)	(53,291)
Gross profit	147,965	167,481
Other income	48,755	55,216
Expenses	(88,550)	(131,604)
Finance costs	(80,533)	(87,607)
Profit before tax and zakat	27,637	3,486
Income tax and zakat (Note 10)	(16,248)	(10,842)
Profit/(loss) from discontinued operation, net of tax and zakat	11,389	(7,356)

The profit/(loss) before tax and zakat from discontinued operation is stated after charging/ (crediting) the following amounts:

	Note	2015 RM'000	2014 RM'000
Employee benefits expenses		11,362	10,639
Auditors' remuneration:		11,302	10,037
-Statutory audit		56	54
Property, plant and equipment:			
-Depreciation	14	1,241	1,204
-Written off		· -	72
-Gain on disposal		(50)	-
Hire of plant and machinery		13	13
Amortisation of concession rights	18	16,745	16,745
Amortisation of intangible asset	19	-	964
Impairment loss on financial assets:			
-Trade receivables	25	59,571	101,871
Profit from Islamic short term placements		(1,230)	(852)
Net gains from remeasurement of intangible asset	19	(12,747)	(23,030)

for the financial year ended 31 December 2015 (cont'd.)

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(a) Disposal of a subsidiary company (cont'd.)

The profit/(loss) before tax and zakat from discontinued operation is stated after charging/(crediting) the following amounts (cont'd.):

	Note	2015 RM'000	2014 RM'000	
Notional income on unwinding of discounting of: -Loans and receivables -Concession receivable -Gross amount due from customer on contract	22	(5,023) (18,765) (10,482)	(6,804) (10,812) (13,583)	
Fair value gain on government soft loan Unwinding of discounting of: -FRSB		(2,145) 15,005	(10,656) 17,308	
-Government soft loan -Provision for concession liability -Accrued lease rental	33 34 35	1,176 15,414 7,614	226 17,811 10,867	

Employee benefits expenses

	2015 RM'000	2014 RM'000
Wages, salaries and bonus	8,771	8,176
Defined contribution plan	1,216	1,210
Social security contributions	67	62
Other benefits	1,308	1,191
	11,362	10,639

Included in employee benefits expense are executive directors' remuneration amounting to RM648,000 (2014: RM793,000) as further disclosed in Note 9.

Cash flows of TMSB Group presented as discontinued operation

	2015 RM'000	2014 RM'000
Net cash flow generated from operating activities	57,692	61,609
Net cash flow used in investing activities	(14,752)	(30,683)
Net cash flow used in financing activities	(48,186)	(33,093)
Net decrease in cash and equivalents	(5,246)	(2,167)

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(b) Discontinued operation and assets classified as held for sale

On 6 February 2013, Cash Band (M) Berhad ("CBB"), a 99.87% owned subsidiary of the Company, entered into a Development Agreement ("the Agreement") with Setia Eco Templer Sdn. Bhd. ("SET") (formerly known as Rockbay Streams Sdn. Bhd.), a wholly-owned subsidiary of S P Setia Berhad, for a mixed development project comprising residential and commercial properties ("the Project").

CBB is the registered and beneficial owner of the following lands:

- (1) The land held under PN 16838 for Lot 614, Pekan Templer, District of Gombak, measuring in the area approximately 56.62 hectares being a leasehold land for ninety-nine years expiring on 26 March 2094;
- (2) The land held under PN 17396 for Lot 11, Pekan Templer, District of Gombak, measuring in the area approximately 183,000 square metres being a leasehold land for ninety-nine years expiring on 26 March 2094; and
- (3) The land held under HSM 6815 for Lot PT 11444, Templer Park Resort, Mukim Rawang, District of Gombak, measuring in the area approximately 3.954 hectares being a leasehold land for ninety-nine years expiring on 29 December 2095.

The above lands ("said Lands") were formerly used as a golf club with commercial facilities located in Templer Park ("the Perangsang Templer Golf Club"). Perangsang Templer Golf Club had ceased its operations with effect from 1 January 2015 to facilitate the Project. CBB and SET have mutually agreed to declare the Agreement unconditional on 4 December 2015 and have further agreed to finalise and execute a Supplemental Agreement to vary the Agreement within a period of twenty-one (21) business days commencing from 6 December 2015. On 8 January 2016, CBB and SET have mutually agreed to extend the period for the finalisation and signing of the Supplemental Agreement from 8 January 2016 to 15 February 2016. Subsequently, on 15 February 2016, CBB and SET have further agreed to extend the period for the finalisation and signing of the Supplemental Agreement from 15 February 2016 to 30 April 2016. On 4 March 2016, CBB and SET entered into a Supplemental Agreement to amend and vary the Agreement.

As at 31 December 2015, the Lands have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale". The results of the golf club and recreational sector have been disclosed as discontinued operation and the comparative statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations.

for the financial year ended 31 December 2015 (cont'd.)

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(b) Discontinued operation and assets classified as held for sale (cont'd.)

The results of CBB are as follows:

	2015 RM'000	2014 RM'000
Revenue	-	5,560
Cost of sales	-	(2,018)
Gross profit	-	3,542
Other income	238	14,855
Expenses	(1,672)	(16,780)
Operational (loss)/profit	(1,434)	1,617
Share of loss of associate	-	(280)
(Loss)/profit before tax and zakat	(1,434)	1,337
Income tax and zakat (Note 10)	59	(97)
(Loss)/profit from discontinued operation, net of tax and zakat	(1,375)	1,240

The (loss)/profit before tax and zakat from discontinued operation is stated after charging/(crediting) the following amounts:

	Note	2015 RM'000	2014 RM'000
Frankrick have the consequent			1 2 024
Employee benefits expenses			2,024
Non-executive directors' remuneration	9	6	-
Auditors' remuneration:			
-Statutory audit		28	28
-Other services		-	25
Property, plant and equipment:			
-Depreciation	14	-	770
-Written off		_	50
-Loss on disposal		12	50
Rental of equipment		5	35

11. DISPOSAL OF A SUBSIDIARY COMPANY AND DISCONTINUED OPERATIONS (cont'd.)

(b) Discontinued operation and assets classified as held for sale (cont'd.)

The (loss)/profit before tax and zakat from discontinued operation is stated after charging/(crediting) the following amounts (cont'd.):

	Note	2015 RM′000	2014 RM'000
Impairment loss on financial assets:			
-Trade receivables	25	-	60
Retrenchment cost		-	2,559
Accrual for payment of unexpired memberships		-	9,896
Write-back of liability		(21)	-
Profit from Islamic short term placement		(71)	(108)
Interest income from fixed deposit		(2)	(1,664)
Reversal of allowance of impairment on financial assets:			
-Trade receivables	25	(92)	-
Amortisation of deferred membership income		-	(106)
Gain on disposal of investment in an associate		-	(12,828)

Employee benefits expenses

	2015 RM'000	2014 RM'000
		1 4 4 4 0
Wages, salaries and bonus		1,662
Defined contribution plan	-	238
Social security contributions	-	29
Other benefits		95
	-	2,024

As at 31 December 2015, the assets classified as held for sale are as follows:

	2015 RM'000	2014 RM'000	
Property, plant and equipment	42,530	42,530	Γ
			ı

for the financial year ended 31 December 2015 (cont'd.)

12. EARNINGS PER SHARE

Basic

Basic earnings/(loss) per share of the Group is calculated by dividing profit/(loss) for the year, net of tax attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year:

		Group
	20° RM'00	
Profit/(loss) attributable to owners of the parent:		.
-from continuing operations -from discontinued operations	46,23 9,09	′
	55,32	29 115,567

	G	roup	
	Number of shares RM'000		
Weighted average number of ordinary shares in issue	499,004	499,004	Γ

	Gı	roup
	2015 sen	2014 sen
Basic earnings/(loss) per share:		
-from continuing operations	9.26	24.22
-from discontinued operations	1.82	(1.06)
	11.08	23.16

13. DIVIDENDS

		Dividends in espect of year		Divide recognised	
	2015 RM'000	2014 RM,000	2013 RM'000	2015 RM'000	2014 RM'000
Recognised during the year:					
Single-tier first interim dividend for 2015: 2 sen per share, on 499,004,119 ordinary shares	9,980	-	-	9,980	-
Single-tier final dividend for 2014: 2 sen per ordinary share, on 499,004,119 ordinary shares	-	9,980	-	9,980	
Single-tier first interim dividend for 2014: 2 sen per share, on 499,004,119 ordinary shares	-	9,980	-	-	9,980
Single-tier final dividend for 2013: 2 sen per ordinary share, on 499,004,119 ordinary shares	-	-	9,980		9,980
Special dividend for 2013: 22.31 sen less 25% taxation per ordinary share, on 499,004,119 ordinary shares (16.73 sen per ordinary share)	-	-	83,495	-	-

for the financial year ended 31 December 2015 (cont'd.)

13. DIVIDENDS (cont'd.)

		Dividends in espect of year	Divide recognised		
	2015 RM'000	2014 RM,000	2013 RM'000	2015 RM'000	2014 RM'000
Single-tier special dividend for 2013: 3.27 sen per ordinary share, on					
499,004,119 ordinary shares (3.27 sen per ordinary share)	-	-	16,317		-
First interim dividend for 2013: 2 sen less 25% taxation per ordinary share, on 481,125,198 ordinary shares (1.50 sen per ordinary share)	_	-	7,217		-
Proposed but not recognised as a liability as at 31 December:					
Single-tier final dividend for 2015: 2 sen per ordinary share, on 499,004,119 ordinary shares	9,980	-	-		-
	19,960	19,960	117,009	19,960	19,960

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2015, of 2 sen per ordinary share on 499,004,119 ordinary shares, amounting to a dividend payable of RM9,980,082 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

14. PROPERTY, PLANT AND EQUIPMENT

Group 2015 Cost	Freehold land RM'000	Long term leasehold land RM'000	Buildings and clubhouse RM'000	Capital work in progress RM'000	Motor vehicles RM'000	Office equipment, hotel furniture and fittings RM'000	Total RM'000
At 1 January Additions Written off (Note 7) Disposal of a subsidiary (Note 11(a)) Disposals	4,794 - - - -	29,045 - - - -	166,084 - - (1,914) -	- 277 - - -	6,097 475 (5) (5,033) (635)	52,604 1,784 (5,161) (8,810) (890)	258,624 2,536 (5,166) (15,757) (1,525)
At 31 December	4,794	29,045	164,170	277	899	39,527	238,712
Accumulated depreciation At 1 January Depreciation charge for the year (Notes 7 and 11(a)) Written off (Note 7) Disposal of a subsidiary	-	7,439 863 -	61,577 4,215 -		4,253 755 (5)	46,362 1,968 (5,113)	7,801 (5,118)
(Note 11(a)) Disposals	- -	-	(1,524)	-	(3,705) (635)	(7,614) (743)	(12,843) (1,378)
At 31 December	-	8,302	64,268	-	663	34,860	108,093
Net carrying amount At 31 December	4,794	20,743	99,902	277	236	1 447	130,619
At 31 December	4,/74	20,743	79,902		230	4,667	130,619

for the financial year ended 31 December 2015 (cont'd.)

14. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings and clubhouse RM'000	Motor vehicles RM'000	Office equipment, hotel furniture and fittings RM'000	Total RM'000
2014						
Cost						
At 1 January Additions Written off (Notes 7 and 11) Asset held for disposal (Note 11(b)) Disposals	4,794 - - - -	61,773 - - (32,728) -	192,718 619 - (27,253)	6,598 579 (118) - (962)	70,253 1,468 (12,551) - (6,566)	336,136 2,666 (12,669) (59,981) (7,528)
At 31 December	4,794	29,045	166,084	6,097	52,604	258,624
Accumulated depreciation						
At 1 January Depreciation charge for the year (Notes 7 and 11) Written off (Notes 7 and 11) Asset held for disposal (Note 11(b)) Disposals	- - - -	13,142 1,024 - (6,727)	67,808 4,493 - (10,724)	4,438 734 (46) - (873)	60,131 2,788 (11,351) - (5,206)	9,039 (11,397) (17,451) (6,079)
At 31 December		7,439	61,577	4,253	46,362	119,631
Net carrying amount						
At 31 December	4,794	21,606	104,507	1,844	6,242	138,993

14. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

	Long term leasehold land RM'000	Buildings RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Company					
2015					
Cost					
At 1 January Additions Disposals	12,942	550 - -	8,274 158 (5)	198 - -	21,964 158 (5)
At 31 December	12,942	550	8,427	198	22,117
Accumulated depreciation					
At 1 January Depreciation charge for the year (Note 7) Disposals	2,482 151	241 11 -	7,596 163 (4)	198 - -	10,517 325 (4)
At 31 December	2,633	252	7,755	198	10,838
Net carrying amount					
At 31 December	10,309	298	672		11,279

for the financial year ended 31 December 2015 (cont'd.)

14. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

	Long term leasehold land RM'000	Buildings RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Company					
2014					
Cost					
At 1 January	12,942	550	14,266	198	27,956
Additions Written off	-	-	207 (6,199)	-	207 (6,199)
At 31 December	12,942	550	8,274	198	21,964
Accumulated depreciation					
At 1 January	2,330	230	13,316	198	16,074
Depreciation charge for the year (Note 7) Written off	152 -	11	479 (6,199)	-	642 (6,199)
At 31 December	2,482	241	7,596	198	10,517
Net carrying amount					
At 31 December	10,460	309	678	_	11,447

14. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

- (a) During the financial year, the Group acquired property, plant and equipment at cost of RM nil (2014: RM144,795) by means of hire purchase arrangements.
- (b) Net carrying amounts of property, plant and equipment held under hire purchase are as follows:



(c) The Group's freehold land, long term leasehold land and buildings with carrying amount of RM124,737,288 (2014: RM132,957,813) are pledged for credit facilities granted to the Group.

15. INVESTMENT PROPERTIES

	Gro	oup	Company		
	2015 RM'000	2014 RM'000	2015 RM′000	2014 RM'000	
		ı		1	
At 1 January Addition	6,573 24	6,658	54,491 24	56,978 619	
Depreciation charge for the year (Note 7)	(87)	(85)	(3,108)	(3,106)	
At 31 December	6,510	6,573	51,407	54,491	
Fair value at 31 December	8,000	7,000	156,000	113,500	

At Group level, a leasehold building with a carrying value of RM44,897,443 (2014: RM47,918,207) was reclassified to property, plant and equipment as certain parts of the building were rented out to the subsidiaries.

for the financial year ended 31 December 2015 (cont'd.)

16. INVESTMENT IN SUBSIDIARIES

	Coi	Company 2015 2014 RM'000 RM'000 304,049 304,049 (46,043)	
Shares, at cost: -Unquoted	304,049	304,049	
Disposed during the year (Note 11(a)) Impairment losses	(46,043) (32,925)	(32,925)	
	225,081	271,124	

(a) Details of the subsidiaries which are incorporated in Malaysia are as follows:

			owne	rtion of ership est (%)	% of ow interest non-con inter	held by trolling	
	Name of subsidiaries	Principal activities	2015	2014	2015	2014	
	Held by the Company:						Γ
	Hydrovest Sdn. Bhd.	Investment holding	60	60	40	40	L
#	Titisan Modal (M) Sdn. Bhd.	Investment holding	-	91	-	9	L
	Viable Chip (M) Sdn. Bhd.	Investment holding	100	100	-	-	L
*	Cash Band (M) Berhad	Investment holding	99.87	99.87	0.13	0.13	н
+	Perangsang Oil and Gas Sdn. Bhd.	Investment holding	100	100	-	-	ı
+	Perangsang Telco Sdn. Bhd.	Investment holding	100	100	-	-	н
+	Perangsang Consultancy & Engineering Sdn. Bhd.	Dormant	100	100		-	ı
+	Kuala Langat Mining Sdn. Bhd.	Dormant	100	100	-	-	L
+	Selangor Amal Holdings Sdn. Bhd.	Dormant	100	100	-	-	L
+	Perangsang Metal Selangor Sdn. Bhd.	In liquidation	70	70	30	30	ı
+	Selangor Construction Sdn. Bhd.	Under official assignee	100	100	-	-	L
+	Selangor Tiles Sdn. Bhd.	Under official assignee	86	86	14	14	ı
+	Perangsang Alphasoft Sdn. Bhd.	In liquidation	100	100	-	-	
+@	Selangor Frits & Glazes Sdn. Bhd.	In liquidation	-	51	-	49	
+	Perangsang Segemal Sdn. Bhd.	In liquidation	51	51	49	49	

16. INVESTMENT IN SUBSIDIARIES (cont'd.)

(a) Details of the subsidiaries which are incorporated in Malaysia are as follows (cont'd.):

			Proport owner interes	ship	% of own interest line in the results of the result	held by trolling	
	Name of subsidiaries	Principal activities	2015	2014	2015	2014	
	Held under Hydrovest Sdn. Bhd.:						Γ
	Aqua-Flo Sdn. Bhd.	Trading in chemical products	36	36	64	64	
	Held under Titisan Modal (M) Sdn. Bhd.:						
#	Konsortium Abass Sdn. Bhd.	Operating, maintenance, construction and commissioning of water treatment plant and facilities and sales of treated water and contract works relating to the water industry activities.	-	91		9	
+ #	Rangkai Aman Sdn. Bhd.	Dormant	-	91		9	
	Held under Cash Band (M) Berhad:						
	Perangsang Hotel and Properties Sdn. Bhd.	Hotelier	99.87	99.87	0.13	0.13	
*	Brisdale International Hotel Sdn. Bhd.	Hotelier	99.87	99.87	0.13	0.13	

- # Subsidiaries disposed during the year
- * Discontinued operation during the year
- + Audited by firms of auditors other than Ernst & Young
- @ The company has been liquidated successfully

for the financial year ended 31 December 2015 (cont'd.)

16. INVESTMENT IN SUBSIDIARIES (cont'd.)

(b) Disposal of subsidiaries

As disclosed in Note 52(a) to the financial statements, the Group has disposed its 90.83% equity interest in Titisan Modal (M) Sdn. Bhd. ("TMSB") to Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"), a wholly owned subsidiary of Kumpulan Darul Ehsan Berhad ("KDEB"). The effect of the disposal on the financial position and financial performance of the Group and of the Company are disclosed in Note 11(a).

(c) Summarised financial information on subsidiaries with significant non-controlling interests

Summarised financial information of Titisan Modal (M) Sdn. Bhd. ("TMSB") and Hydrovest Sdn. Bhd. ("Hydrovest"), which have non-controlling interests ("NCI") that are material to the Group, is set out below. The summarised financial information presented below is the amount before inter-companies elimination. The NCI in respect of other entities within the Group are not material to the Group.

	TMSB and its subsidiaries ("TMSB Group") RM'000	Hydrovest and its subsidiary ("Hydrovest Group") RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
At 31 December 2015				
NCI percentage of ownership interest and voting interest		40.00%		
Carrying amount of NCI	-	17,505	(73)	17,432
Profit/(loss) attributable to NCI	918	2,694	(2)	3,610
At 31 December 2014				
NCI percentage of ownership interest and voting interest	9.17%	40.00%		
Carrying amount of NCI	7,807	15,051	(71)	22,787
(Loss)/profit attributable to NCI	(788)	2,912	(41)	2,083

16. INVESTMENT IN SUBSIDIARIES (cont'd.)

- (c) Summarised financial information on subsidiaries with significant non-controlling interests (cont'd.)
 - (i) Summarised statement of financial position

	TM Gro		Hydro Gro		Tot	tal
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets Current assets	-	612,988 795,367	1,267 45,091	1,094 39,746	1,267 45,091	614,082 835,113
Total assets	-	1,408,355	46,358	40,840	46,358	1,449,195
Non-current liabilities Current liabilities	- -	1,036,767 284,951	119 18,287	166 16,600	119 18,287	1,036,933 301,551
Total liabilities	-	1,321,718	18,406	16,766	18,406	1,338,484
Net assets	-	86,637	27,952	24,074	27,952	110,711
Equity attributable to owners of the parent Non-controlling interests	-	86,637	17,018 10,934	14,646 9,428	17,018 10,934	101,283 9,428
	-	86,637	27,952	24,074	27,952	110,711

(ii) Summarised statement of profit or loss and other comprehensive income

		TMSB Group		Hydrovest Group		tal
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
				1		1
Revenue	200,858	220,772	62,474	55,019	263,332	275,791
Profit/(loss) for the year	10,011	(8,599)	4,117	4,494	14,128	(4,105)
Profit/(loss) attributable to:	10.011	(0.500)	2 271	2 /2/	12.202	(F.O.(2)
-owners of the parent	10,011	(8,599)	2,371	2,636	12,382	(5,963)
-non-controlling interests	-		1,746	1,858	1,746	1,858
	10,011	(8,599)	4,117	4,494	14,128	(4,105)
Dividend paid to non-controlling interests	-	-	240	960	240	960

for the financial year ended 31 December 2015 (cont'd.)

16. INVESTMENT IN SUBSIDIARIES (cont'd.)

(c) Summarised financial information on subsidiaries with significant non-controlling interests (cont'd.)

(iii) Summarised statement of cash flows

	TM: Gro		Hydro Gro		Tot	al	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
Net cash flows generated from operating activities	-	61,609	3,946	1,327	3,946	62,936	ľ
Net cash flows (used in)/ generated from investing activites	-	(30,683)	86	(769)	86	(31,452)	l
Net cash flows used in financing activities	-	(33,093)	(1,355)	(1,443)	(1,355)	(34,536)	ı
Net (decrease)/increase in cash and cash equivalents	-	(2,167)	2,677	(885)	2,677	(3,052)	ı
Cash and cash equivalents at 1 January	-	41,754	11,075	11,960	11,075	53,714	
Cash and cash equivalents at 31 December	-	39,587	13,752	11,075	13,752	50,662	

17. INVESTMENT IN ASSOCIATES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
In Malauria				
In Malaysia: -Unquoted shares	314,833	309,433	133,008	133,008
Share of post acquisition reserves	723,056	615,030	-	-
	1,037,889	924,463	133,008	133,008

17. INVESTMENT IN ASSOCIATES (cont'd.)

Details of the associates are as follows:

	Name of associates	Country of incorporation	Principal activities	Proportion of effection owner interest 2015	ctive ship	Accounting model applied	
	Held by the Company:						
	Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. ("SPRINT")	Malaysia	Investment holding and provision of management services	20	20	Equity method	
+	KPS-HCM Sdn. Bhd.	Malaysia	Road maintenance and rehabilitation	30	30	Equity method	
+	Perangsang Water Management Sdn. Bhd.	Malaysia	Water project operation and management	40	40	Equity method	
+ Δ	Intan Perangsang Sdn. Bhd.	Malaysia	Dormant	30	30	Equity method	
	Held by Viable Chip (M) Sdn. Bhd.:						
	Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH")	Malaysia	Investment holding	30	30	Equity method	

for the financial year ended 31 December 2015 (cont'd.)

17. INVESTMENT IN ASSOCIATES (cont'd.)

Details of the associates are as follows (cont'd.):

	Name of associates	Country of incorporation	Principal activities	Proporti of effe owner inter 2015	ctive ship	Accounting model applied
	Held by Perangsang Oil and Gas Sdn. Bhd.:					
	NGC Energy Sdn. Bhd. ("NGC Energy")	Malaysia	Operation, marketing and selling of liquefied petroleum gas	40	40	Equity method
	Held by Perangsang Telco Sdn. Bhd.:					
+	Ceres Telecom Sdn. Bhd.	Malaysia	Provision of wireless and mobile telecommunications services to end users	34.35	30	Equity method

- + Audited by firms of auditors other than Ernst & Young.
- Δ The financial statements of this associate is not available. The said investment has been fully written down. The effect of not using equity accounting for investment in this associate is not material to the Group.

17. INVESTMENT IN ASSOCIATES (cont'd.)

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group's share of those amounts.

At 31 December 2015

(i) Summarised statements of financial position

	SPLASH RM'000	SPRINT RM'000	NGC Energy RM'000	Other individually immaterial associates RM'000	Total RM'000
Non-current assets Current assets Total assets	4,481,290	1,636,854	248,414	25,997	6,392,555
	1,651,166	391,323	121,996	44,192	2,208,677
	6,132,456	2,028,177	370,410	70,189	8,601,232
Non-current liabilities Current liabilities Total liabilities	1,889,905	1,181,165	102,397	62	3,173,529
	1,139,966	626,507	143,352	24,079	1,933,904
	3,029,871	1,807,672	245,749	24,141	5,107,433
Net assets attributable to owners of associates	3,102,585	220,505	124,661	46,048	3,493,799

(ii) Summarised statements of profit or loss and other comprehensive income

	SPLASH RM'000	SPRINT RM'000	NGC Energy RM'000	Other individually immaterial associates RM'000	Total RM'000	
						Γ
Revenue	469,739	244,218	553,182	86,491	1,353,630	н
Profit/(loss) for the year	346,156	29,557	4,173	(1,665)	378,221	ı
					_	

for the financial year ended 31 December 2015 (cont'd.)

17. INVESTMENT IN ASSOCIATES (cont'd.)

At 31 December 2015 (cont'd.)

(iii) Reconciliation of net assets to carrying amount of Group's interest in associates

		SPLASH RM'000	SPRINT RM'000	NGC Energy RM'000	Other individually immaterial associates RM'000	Total RM'000	
	Group's share of net assets Goodwill Carrying amount of Group's interest in associates	915,396 - - 915,396	43,620 3,837 47,457	47,052 5,201 52,253	18,979 3,804 22,783	1,025,047 12,842 1,037,889	
(iv)	Group's share of results of associates	103,847	5,911	1,669	(400)	111,027	ı
(v)	Dividends received from associates	-		-	3,000	3,000	

At 31 December 2014

(i) Summarised statements of financial position

	SPLASH RM'000	SPRINT RM'000	NGC Energy RM'000	Other individually immaterial associates RM'000	Total RM'000
Non-current assets Current assets Total assets	5,139,485	1,726,767	261,897	26,326	7,154,475
	521,082	283,056	127,021	41,594	972,753
	5,660,567	2,009,823	388,918	67,920	8,127,228
Non-current liabilities Current liabilities Total liabilities	2,693,471	1,329,258	124,421	4,270	4,151,420
	210,668	476,400	147,813	18,442	853,323
	2,904,139	1,805,658	272,234	22,712	5,004,743
Net assets attributable to owners of associates	2,756,428	204,165	116,684	45,208	3,122,485

17. INVESTMENT IN ASSOCIATES (cont'd.)

At 31 December 2014 (cont'd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	SPLASH RM'000	SPRINT RM'000	NGC Energy RM'000	Other individually immaterial associates RM'000	Total RM'000	
						Γ
Revenue	435,025	191,357	735,467	65,376	1,427,225	ш
Profit/(loss) for the year	505,349	(10,230)	3,709	(4,008)	494,820	

(iii) Reconciliation of net assets to carrying amount of Group's interest in associates

		SPLASH RM'000	SPRINT RM'000	NGC Energy RM'000	Other individually immaterial associates RM'000	Total RM'000	
	Group's share of net assets Goodwill	811,549 -	37,709 3,837	45,383 5,201	16,980 3,804	911,621 12,842	
	Carrying amount of Group's interest in associates	811,549	41,546	50,584	20,784	924,463	
(iv)	Group's share of results of associates	151,605	(2,046)	1,484	(1,060)	149,983	
(v)	Dividends received from associates	6,000		-	600	6,600	

for the financial year ended 31 December 2015 (cont'd.)

17. INVESTMENT IN ASSOCIATES (cont'd.)

The details of goodwill included within the Group's carrying amount of investment in associates are as follows:

		Group
	2015 RM′000	
Carrying amount		ī
At 1 January Disposal during the year	12,842 -	16,478 (3,636)
At 31 December	12,842	12,842

The financial statements of the associates of the Group are coterminous with those of the Group, except for SPRINT and SPLASH which have a financial year end of 31 March to conform with their respective holding companies' financial year end.

The share of results of SPRINT and SPLASH for the current financial year are for the twelve months period ended 31 December 2015, incorporating the three months period ended 31 March 2015 based on the latest audited financial statements and the management financial statements for the nine month period ended 31 December 2015.

The carrying amount of investment in associates of the Group pledged for borrowings are as follows:

	Group	
	2015 RM'000	2014 RM'000
Unquoted shares	131,487	131,487

18. CONCESSION RIGHTS

	Gı	Group	
	2015 RM'000	2014 RM'000	
Cost			
At 1 January Disposal of a subsidiary company (Note 11(a))	418,624 (418,624)	418,624	
At 31 December	-	418,624	
Accumulated amortisation			
At 1 January	(150,705)	(133,960)	
Amortisation during the year (Note 11(a)) Disposal of a subsidiary company (Note 11(a))	(16,745) 167,450	(16,745) -	
At 31 December	-	(150,705)	
Net carrying amount			
At 31 December	-	267,919	

19. INTANGIBLE ASSET

	G	Group	
	2015 RM'000	2014 RM'000	
Cost		1	
At 1 January/31 December	81,371	81,371	
Accumulated amortisation			
At 1 January	(81,371)	(48,583)	
Amortisation during the year (Note 11(a))	-	(964)	
Effect of changes in estimates (Note 35)	(12,747)	(54,854)	
Remeasurement recognised in profit or loss (Note 11(a))	12,747	23,030	
At 31 December	(81,371)	(81,371)	
Net carrying amount			
At 31 December	_	_	

for the financial year ended 31 December 2015 (cont'd.)

19. INTANGIBLE ASSET (cont'd.)

The intangible asset represents the right to use the existing facilities, maintain and restore the infrastructure of the Sungai Semenyih Water Supply Scheme for a concession period of 30 years. The intangible asset with a finite useful life is amortised on a straight-line basis over the concession period.

Changes in the intangible asset that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, should be added to or deducted from the cost of the related asset and depreciated prospectively over its useful life.

The remeasurement recognised during the year was due to a change in the estimated timing of outflow of resources to settle the obligation.

20. GOODWILL ON CONSOLIDATION

	C C	Group	
	2015 RM'000	2014 RM'000	
Cost			
At 1 January	119,806	119,806	
Disposal of a subsidiary company (Note 11(a))	(117,215)	-	
At 31 December	2,591	119,806	
Accumulated impairment			
At 1 January/31 December	(571)	(571)	
Net carrying amount			
At 31 December	2,020	119,235	

Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified accordingly to major business segments.

20. GOODWILL ON CONSOLIDATION (cont'd.)

A segment-level summary of the goodwill allocation is presented below:

	G	Group	
	2015 RM'000	2014 RM'000	
Hospitality Infrastructure and utilities	2,020	2,020 117,215	
	2,020	119,235	

Impairment test for goodwill

The recoverable amount of CGU of hospitality segment has been determined based on the fair value less costs to sell, where the fair value is measured using market value based on comparison method.

In the previous year, the recoverable amount of CGU of the infrastructure and utilities is determined based on value-in-use calculation. For infrastructure and utilities segment, a fifteen year period cash flow projections were used in the value-in-use calculation. The cash flow projections were based on financial budgets approved by the Board of Directors covering a five years period. Cash flow projections for the period beyond the approved budget are extrapolated using zero growth rate.

The value-in-use calculation was approved by the Board of Directors.

Key assumptions used for value-in-use calculation:

(i) The discount rate used is consistent with the segment's weighted average cost of borrowings.

	Discount rate
Infrastructure and utilities	7.99%

- (ii) Proceeds from sales of treated water arising from the concession rights will be received as projected.
- (iii) The concession rights' cash flows will occur as projected.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.4(h)(i).

If the estimated discount rate applied to the discounted cash flows had been 1% higher than management's estimates, the Group would not need to reduce the carrying value of goodwill.

for the financial year ended 31 December 2015 (cont'd.)

21. LONG TERM RECEIVABLE

	Group	
	2015 RM'000	
Long term receivable	-	4,850
Less: Repayment due within 12 months (Note 25) Long term receivable (Note 25)	 -	(4,850)

The long-term receivables represent amounts receivable from sales of treated water. The amounts are receivable over 10 annual installments commencing December 2006.

22. CONCESSION RECEIVABLE

	Gr	Group	
	2015 RM'000	2014 RM′000	
At 1 January	224,467	189,684	
Notional income on unwinding of discounting (Note 11(a))	18,765	10,812	
Settlement	(26,045)	(17,716)	
Effect of changes in estimates (Note 34)	(14,974)	41,687	
	202,213	224,467	
Disposal of a subsidiary company (Note 11(a))	(202,213)	-	
At 31 December	-	224,467	

The concession receivable represents the financial assets recognised for the consideration receivable in exchange of providing the design, construction, completion, testing and commissioning of installation works for the existing facilities of the Sungai Semenyih Water Supply Scheme.

23. INVENTORIES

	G	roup
	2015 RM'000	2014 RM'000
Chemical products	1,066	1,818
Consumables Food and beverage	56 64	27 84
	1,186	1,929

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM55,178,101 (2014: RM47,433,102).

24. AMOUNT DUE FROM CUSTOMER ON CONTRACT

	Gr	Group	
	2015 RM'000	2014 RM'000	
Construction costs incurred to date Attributable profits	399,658 27,637	399,658 27,637	
Less: Progress billings	427,295 (321,519)	427,295 (290,230)	
Amount due from customer on contract (Note 27) Disposal of a subsidiary company (Note 11(a))	105,776 (105,776)	137,065 -	
	-	137,065	

The gross amount due from customer relates to the construction of Bukit Badong Distribution Works which is billed through adjusted water tariff over the concession period as stipulated in the Supplemental Agreement dated 10 February 2001.

for the financial year ended 31 December 2015 (cont'd.)

25. TRADE RECEIVABLES

	Gro	oup	Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
				ı
Trade receivables Less: Allowance for impairment	23,422 (299)	841,501 (215,436)	386 (136)	247 (103)
Long term receivable (Note 21)	23,123	626,065 4,850	250	144
Trade receivables, net	23,123	630,915	250	144
Concession receivable (Note 22) Trade receivables Other receivables (Note 26)	23,123 3,060	224,467 630,915 5,930	250 2,555	- 144 2,299
Add:	26,183	861,312	2,805	2,443
Amount due from immediate holding company (Note 28(a)) Amounts due from subsidiaries (Note 28(b)) Amounts due from related companies (Note 28(c)) Amount due from an associate (Note 28(d))	12,116 - 4,965 4,574	133,910 - 3,435 4,394	1,433 236,455 1,342	123,177 79,605 3,266
Add: Cash and cash equivalents (Note 29)	47,838 19,657	1,003,051 60,959	242,035 1,707	208,491 5,692
Total loans and receivables	67,495	1,064,010	243,742	214,183

The Group's normal trade credit terms range from 30 to 90 days (2014: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

25. TRADE RECEIVABLES (cont'd.)

Ageing analysis of trade receivables

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

	Gro	Group		pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
		ı		ı
Neither past due nor impaired	9,732	8,536	149	101
1 to 30 days past due not impaired	4,538	3,715	101	43
31 to 60 days past due not impaired	4,570	3,548	-	-
61 to 90 days past due not impaired	2,332	1,838	-	-
91 to 120 days past due not impaired	1,947	1,945	-	-
More than 121 days past due not impaired	4	43	-	-
	13,391	11,089	101	43
Impaired	299	821,876	136	103
	23,422	841,501	386	247

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors.

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

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM13,391,394 (2014: RM11,089,534) and RM101,378 (2014: RM42,480) respectively that are past due at the reporting date but not impaired.

The directors do not foresee any recoverable issue on receivables that are past due but not impaired.

for the financial year ended 31 December 2015 (cont'd.)

25. TRADE RECEIVABLES (cont'd.)

Receivables that are impaired

The Group's and Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Gro	Group		pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
		l I		
Trade receivables - nominal amounts	299	821,876	136	103
Less: Allowance for impairment	(299)	(215,436)	(136)	(103)
	-	606,440	-	-

Trade receivables that are impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Movement of allowance

Gro	oup	Company		
2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
215,436	113,396	103	-	
59,628	102,067	33	103	
(177)	(27)	-	-	
(92)	-	-	-	
274,795	215,436	136	103	
(274,496)	-	-	-	
299	215,436	136	103	
	2015 RM'0000 215,436 59,628 (177) (92) 274,795 (274,496)	2015 RM'000 215,436 59,628 (177) (92) - 274,795 (274,496) - 2014 RM'000 215,436 102,067 (27) (92) -	2015 RM'000 RM'000 RM'000 215,436 113,396 103 59,628 102,067 33 (177) (27) - (92) 274,795 215,436 136 (274,496)	

The impairment losses of RM59,571,000 (2014: RM101,871,000) was recognised during the year due to change in the estimated time frame for collection of, Konsortium Abass Sdn. Bhd., an indirect subsidiary company of the Company prior to 31 December 2015.

Other information on financial risks of trade and other receivables are disclosed in Note 49.

26. OTHER RECEIVABLES

	Gr	oup	Company		
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
				ı	
Advances	15	19	15	19	
Deposits	588	1,204	410	409	
Sundry receivables	2,558	4,886	2,232	1,973	
GST receivables	16	-	-	-	
	3,177	6,109	2,657	2,401	
Less: Allowance for impairment	(117)	(179)	(102)	(102)	
	3,060	5,930	2,555	2,299	
	3,000	3,930	2,555	2,299	

Receivables that are impaired

The Group's and Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Gro	up	Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables - nominal amounts Less: Allowance for impairment	117 (117)	179 (179) -	102 (102)	102 (102)

Gre	oup	Company		
2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
179	354	102	102	
(62)	-	-	-	
-	(175)	-	-	
117	179	102	102	
	2015 RM′000	179 354 (62) - (175)	2015 RM'000	

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

for the financial year ended 31 December 2015 (cont'd.)

27. OTHER CURRENT ASSETS

	G	Group		
	2015 RM'000	2014 RM'000		
Prepayments	50	447		
Amount due from customer on contract (Note 24)	105,776	137,065		
	105,826	137,512		
Disposal of a subsidiary company	(105,776)			
	50	137,512		

28. AMOUNTS DUE FROM IMMEDIATE HOLDING COMPANY, SUBSIDIARIES, RELATED COMPANIES AND AN ASSOCIATE

(a) Amount due from immediate holding company

	Gre	oup	Company		
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
Current					
Amount due from immediate holding company	12,116	133,910	1,433	123,177	

Included in the amount due from immediate holding company of the Group and of the Company are:

	Gro	oup	Company		
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
Deposit paid for a project	_	87,470	-	87,470	

- (i) The amount due from immediate holding company is unsecured, non-interest bearing and repayable on demand.
- (ii) The amount due from immediate holding company amounting to RM121,946,000 is deemed settled upon disposal of Titisan Modal (M) Sdn. Bhd. as disclosed in Note 11(a).

28. AMOUNTS DUE FROM IMMEDIATE HOLDING COMPANY, SUBSIDIARIES, RELATED COMPANIES AND AN ASSOCIATE (cont'd.)

(b) Amounts due from subsidiaries

	G	roup
	2015 RM'000	2014 RM'000
Amounts due from subsidiaries Less: Allowance for impairment	240,206 (3,751)	82,859 (3,254)
	236,455	79,605

- (i) An amount of RM11,648,858 (2014: RM nil) due from a subsidiary is unsecured, bears an interest of 4.55% (2014: nil) per annum and repayable on demand.
- (ii) An amount of RM nil (2014: RM17,283,000) due from a subsidiary is unsecured, bears an interest of 4.55% (2014: 4.46%) per annum and repayable on demand. The subsidiary has been disposed as at 31 December 2015 as per Note 11(a).
- (iii) An amount of RM40,000,000 (2014: RM40,000,000) due from a subsidiary is unsecured, bears an interest of 4.55% (2014: 6.05%) per annum and repayable on demand.
- (iv) An amount of RM4,000,000 (2014: RM4,000,000) due from a subsidiary is unsecured, bears an interest of 4.55% (2014: 4.50%) per annum and repayable on demand.
- (v) An amount of RM17,081,757 (2014: RM200,000) due from a subsidiary is unsecured, bears an interest of 4.55% (2014: 4.00%) per annum and repayable on demand.
- (vi) Upon disposal of Titisan Modal (M) Sdn. Bhd. as at 31 December 2015, as disclosed in Notes 11(a) and 32, the Bai' Bithaman Ajil Islamic Debt Securities of RM200 million at Viable Chip (M) Sdn. Bhd. ("VCSB"), a wholly-owned subsidiary of the Company was deemed settled by the Company, and has become amount due from VCSB as at the reporting date.
- (vii) The remaining amount due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

for the financial year ended 31 December 2015 (cont'd.)

28. AMOUNTS DUE FROM IMMEDIATE HOLDING COMPANY, SUBSIDIARIES, RELATED COMPANIES AND AN ASSOCIATE (cont'd.)

(c) Amounts due from related companies

	Group Company			pany	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
Amounts due from related companies	4,965	3,435	1,342	3,266	Γ

The amounts due from related companies are unsecured, non-interest bearing and repayable on demand.

(d) Amount due from an associate

	Gro	oup	Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount due from an associate	4,574	4,394	_	-

The amount due from an associate is unsecured, bears an interest of 4.50% per annum (2014: 4.50%) and has no fixed term of repayment.

29. CASH AND BANK BALANCES

		Gro	oup	Company		
	ı	2015 RM'000	2014 RM,000	2015 RM'000	2014 RM'000	
Sinking Fund Trust Account		643	l 640	_	-	
Cash on hand and at banks		16,103	29,586	1,706	1,692	
Deposits with licensed banks and financial institutions		75,812	134,248	54,220	84,386	
Cash and bank balances		92,558	164,474	55,926	86,078	

The Sinking Fund Trust Account is maintained in accordance with the provisions of the Trust Deed entered between a subsidiary and the trustee.

29. CASH AND BANK BALANCES (cont'd.)

Certain deposits of the Group and of the Company placed with licensed banks amounting to RM2,794,457 (2014: RM2,645,181) and RM1,066,074 (2014: RM1,000,000) respectively, are pledged for credit facilities granted to the Group and the Company.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Gro	oup	Company		
	2015 RM'000	2014 RM,000	2015 RM'000	2014 RM'000	
Cash and bank balances	92,558	164,474	55,926	86,078	
Less: Deposits with licensed banks with maturity period of more than 3 months Money market deposits	(12,089) (60,812)	(16,753) (86,762)	(1,066) (53,153)	(1,032) (79,354)	
Cash and cash equivalents (Note 25)	19,657	60,959	1,707	5,692	

The weighted average interest/profit rates of deposits at the reporting date were as follows:

	Group		Company		
	2015	2014 %	2015 %	2014 %	
Licensed banks	3.24	3.23	3.25	3.57	

The average maturities of deposits at the end of the financial year ware as follows:

	Group		Company		
	2015 Days	2014 Days	2015 Days	2014 Days	
Licensed banks	171	68	183	62	

for the financial year ended 31 December 2015 (cont'd.)

30. LOANS AND BORROWINGS

		Gro	Group		pany
	Maturity	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Secured:		20,000		20.000	
Revolving credits Obligations under finance leases	on demand	30,000	-	30,000	-
(Note 46(d))	2016	42	47	-	-
Fixed Rate Serial Bonds			239,087	-	-
Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")			200,000		-
		30,042	439,134	30,000	-
Non-current					
Secured: Obligations under finance leases					
(Note 46(d))	2017-2019	88	130	-	-
Sukuk Murabahah Fixed Rate Serial Bonds			136,000 447,992		-
		88	584,122	-	-
Total					
Revolving credits		30,000	_	30,000	_
Obligations under finance leases			477	00,000	
(Note 46(d)) Sukuk Murabahah		130	177 136,000		-
Fixed Rate Serial Bonds		-	687,079	-	-
Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")			200,000		-
Total loans and borrowings		30,130	1,023,256	30,000	-

30. LOANS AND BORROWINGS (cont'd.)

The remaining maturities of the loans and borrowings as at 31 December 2015 are as follows:

		Gro	oup	Company		
	-	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	
A male		00.040	100404	00.000	ı	
Within one year		30,042	439,134	30,000	-	
More than 1 year and less than 2 years		42	81,605	-	-	
More than 2 years and less than 5 years		46	268,495	-	-	
5 years or more		-	234,022	-	-	
		30,130	1,023,256	30,000	-	

The weighted average effective interest/profit rates per annum at the reporting date for borrowings were as follows:

	Gre	oup
	2015 %	2014 %
Revolving credits	5.42	_
Obligations under finance leases	2.56	2.56
Sukuk Murabahah	-	7.90
Fixed Rate Serial Bonds	-	7.23
BaIDS	-	6.19

- (i) Revolving credits were secured by way of first legal charge over certain property, plant and equipment of the Group (Note 14).
- (ii) Sukuk Murabahah

On 17 August 2012, Konsortium Abass Sdn. Bhd. ("ABASS") completed the issuance of Islamic Medium Term Notes of RM136 million in nominal value under the Islamic principle of Murabahah via Tawarruq ("Sukuk Murabahah") arrangement to refinance the outstanding balance of the Guaranteed Fixed Rate Term Loan facility and Bai' Bithaman Ajil facility.

The tenure of the Sukuk Murabahah is nine years and will mature on 17 August 2021.

for the financial year ended 31 December 2015 (cont'd.)

30. LOANS AND BORROWINGS (cont'd.)

(ii) Sukuk Murabahah (cont'd.)

The Sukuk Murabahah is secured via the following:

- (a) A debenture incorporating fixed and floating charges over all present and future assets of ABASS;
- (b) Assignment of all present and future rights, title, benefits and interests under the Concession Agreement and its supplementals;
- (c) Assignment of all present and future rights, title, benefits and interests in all the present and future performance and maintenance bonds in favour of ABASS;
- (d) Assignment of all present and future rights, title, benefits and interests in all the present and future insurance taken in relation to ABASS's assets and proceeds arising thereunder;
- (e) Assignment over the Designated Accounts (Revenue Account, Finance Service Reserve Account and Government Soft Loan Account); and
- (f) Third party charge over ABASS's shares from its holding company, Titisan Modal (M) Sdn. Bhd. ("TMSB").

The profit is payable semi-annually at the rate of 7.90% per annum with yield to maturity of 7.90%.

Pursuant to the disposal of TMSB Group to Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") as disclosed in Note 52(a) to the financial statements, the Sukuk Murabahah has been deconsolidated from the consolidated financial statements of the Group as at 31 December 2015.

31. FIXED RATE SERIAL BONDS ("FRSB")

Pursuant to the Trust Deed dated 18 April 2006, Titisan Modal (M) Sdn. Bhd. ("Titisan") had issued FRSB at nominal value of up to RM738 million as follows:

- (a) First series on 28 April 2006 giving proceeds of RM8,549,000 and maturing on 28 April 2012 with a redemption value of RM10,000,000 (coupon rate: 4%);
- (b) Second series on 28 April 2006 giving proceeds of RM37,080,000 and maturing on 28 April 2013 with a redemption value of RM45,000,000 (coupon rate: 4%);
- (c) Third series on 28 April 2006 giving proceeds of RM71,307,000 and maturing on 28 April 2014 with a redemption value of RM90,000,000 (coupon rate: 4%);
- (d) Fourth series on 28 April 2006 giving proceeds of RM72,219,000 and maturing on 28 April 2015 with a redemption value of RM95,000,000 (coupon rate: 4%);
- (e) Fifth series on 28 April 2006 giving proceeds of RM62,135,000 and maturing on 28 April 2016 with a redemption value of RM85,000,000 (coupon rate: 4%);
- (f) Sixth series on 28 April 2006 giving proceeds of RM63,207,000 and maturing on 28 April 2017 with a redemption value of RM90,000,000 (coupon rate: 4%);
- (g) Seventh series on 28 April 2006 giving proceeds of RM67,410,000 and maturing on 28 April 2018 with a redemption value of RM100,000,000 (coupon rate: 4%);
- (h) Eighth series on 28 April 2006 giving proceeds of RM71,170,000 and maturing on 28 April 2019 with a redemption value of RM110,000,000 (coupon rate: 4%);
- (i) Ninth series on 28 April 2006 giving proceeds of RM58,149,800 and maturing on 28 April 2020 with a redemption value of RM83,000,000 (coupon rate: 5%); and
- (j) Tenth series on 28 April 2006 giving proceeds of RM20,418,000 and maturing on 28 April 2021 with a redemption value of RM30,000,000 (coupon rate: 5%).

for the financial year ended 31 December 2015 (cont'd.)

31. FIXED RATE SERIAL BONDS ("FRSB") (cont'd.)

The FRSB is secured against the following:

- (a) First charge by Titisan under a Memorandum of Deposit in favour of the security trustee or its nominees over 10,000,000 paid-up ordinary shares in Konsortium Abass Sdn. Bhd. ("ABASS") and 87,500,000 Redeemable Cumulative Preference Shares ("RCPS") in ABASS;
- (b) First charge by Titisan under a Memorandum of Deposit in favour of the security trustee or its nominees over 100,000 ordinary shares in Rangkai Aman Sdn Bhd ("RA");
- (c) Assignment by Titisan over dividend entitlement under the ordinary shares and RCPS in ABASS in favour of the security trustee. The scope of assignment herein shall exclude the interim dividend of 1,543.21% declared by ABASS in respect of the RCPS for the financial period ending 31 December 2005 pursuant to the terms and conditions of the following agreements:
 - (i) Share Sale Agreement (relating to 100% equity interest in RA) between Y. Bhg. Dato' Sulaiman Abu Bakar and Abu Bakar Fikri bin Dato' Sulaiman and Titisan dated 28 October 2005;
 - (ii) An Agreement for the Sale and Purchase of 25% equity interest in ABASS between Chemical Waste Management Sdn. Bhd. and Titisan dated 31 October 2005; and
 - (iii) Sale and Purchase of Shares in ABASS between the Company and Titisan dated 28 October 2005. (collectively referred to as the "Sale and Purchase Agreements");
- (d) Assignment by Titisan over dividend entitlement under the ordinary shares in RA in favour of the security trustee;
- (e) Fixed and floating charge by way of debenture over all the present and future assets, rights and interest and undertakings of Titisan;
- (f) First charge in favour of the security trustee over the Revenue Account and the Sinking Fund Account of Titisan;
- (g) A contingent right granted by Titisan in favour of the Security Trustee for the consolidation of Titisan and ABASS, subject to consent of applicable authorities;
- (h) Assignment of rights of Titisan under the sale and purchase agreement in relation to the 55% direct interest in ABASS in favour of the Security Trustee;
- (i) Assignment of rights of Titisan under the sale and purchase agreement in relation to the 100% direct interest in RA in favour of the Security Trustee; and
- (j) Assignment of rights of Titisan under the share transfer agreement for the transfer of 45% equity interest in ABASS.

The discount on FRSB is recognised in statement of comprehensive income as borrowing costs over the tenure of the FRSB's series.

31. FIXED RATE SERIAL BONDS ("FRSB") (cont'd.)

On 14 February 2012, Acqua SPV Berhad ("Acqua SPV"), the sole bondholder of FRSB presented a revised restructuring proposal to Titisan to restructure the principal and coupon payment on the FRSB based on adjusted tenure, coupon rate and yield to maturity.

On 29 March 2012, Acqua SPV, being sole holder of FRSB at nominal value of up to RM738.0 million approved to waive the requirement to comply with Clause 6.3(b) of the Trust Deed dated 18 April 2006 in relation to meeting the Minimum Requirement Balance in the Sinking Fund Account ("SFA") as follows ("Deposits Waiver"):

- (a) RM5.0 million for principal amount of the FRSB Series 1 on or before 30 March 2012;
- (b) RM5.0 million for balance principal amount of the FRSB Series 1 on or before 16 April 2012; and
- (c) RM15.53 million for coupon amount of the outstanding FRSB on or before 16 April 2012.

Subsequently, on 23 April 2012, Acqua SPV approved the following:

- (i) To defer the payment of coupons from the due date of 30 April 2012 to 29 October 2012 ("Coupon Deferment");
- (ii) To defer the payment of FRSB Series 1 of RM10.0 million from its maturity date of 30 April 2012 to 29 October 2012 ("Principal Deferment");
- (iii) To waive the requirement to comply with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the Coupon Deferment and Principal Deferment; and
- (iv) To waive the requirement to comply with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the next coupon payment of RM15.08 million which falls due on 29 October 2012.

On 16 October 2012, Titisan obtained the consent of Acqua SPV on the following items:

- (i) To further defer the payment of coupons of RM15.53 million from its extended due date on 29 October 2012 to 29 April 2013;
- (ii) To defer the payment of coupon of RM15.28 million from the due date on 29 October 2012 to 29 April 2013;
- (iii) To further defer the payment of FRSB Series 1 of RM10 million from its extended maturity date of 29 October 2012 to 29 April 2013;
- (iv) To waive the requirement to comply with the minimum required balance for the Coupon Deferment and Principal Deferment; and
- (v) To waive the requirement to comply with the minimum required balance for the next coupon payment of RM15.28 million and the payment of FRSB Series 2 of RM45 million which falls due on 29 April 2013.

for the financial year ended 31 December 2015 (cont'd.)

31. FIXED RATE SERIAL BONDS ("FRSB") (cont'd.)

Subsequently, on 23 April 2013, Acqua SPV approved the following:

- (i) To partially settle the sum of RM11,471,243.49 of the coupon payment of RM15,283,013.70 due on 29 October 2012 but deferred to 29 April 2013 and to defer the balance of RM3,811,770.21 to 28 October 2013 ("Partial Coupon Deferment");
- (ii) To defer the payment of coupons RM15,448,767.11 due on 29 April 2013 to 28 October 2013 ("Coupon Deferment");
- (iii) To further defer the payment of FRSB Series 1 of RM10,000,000.00 from its extended maturity date of 29 April 2013 (original due date: 30 April 2012) to 28 October 2013 ("3rd Principal Deferment Series 1");
- (iv) To defer the payment of FRSB Series 2 of RM45,000,000.00 from its maturity date of 29 April 2013 to 28 October 2013 ("Principal Deferment Series 2");
- (v) To waive the requirement to compliance with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for Partial Coupon Deferment, Coupon Deferment, 3rd Principal Deferment Series 1 and Principal Deferment Series 2; and
- (vi) To waive the requirement to compliance with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the next coupon payment of RM14,186,027.40 due on 28 October 2013.

On 17 October 2013, Acqua SPV had approved the following:

- (i) Titisan to settle the balance coupon payment of RM3,811,770.21 which was due on its extended due date of 28 October 2013 (original due date: 29 October 2012) and partial payment for sum of RM12,465,753.42 for the coupon payment of RM15,283,013.70 which was due on 29 April 2013 but deferred to 28 October 2013 ("Coupon Payment");
- (ii) To defer the sum of RM2,817,260.28 from the balance coupon payment of RM15,283,013.70, which is due on its extended due date of 28 October 2013 (original coupon payment date: 29 April 2013) to 11 November 2013 ("Balance Coupon Deferment");
- (iii) To defer the payment of coupon of RM15,283,013.70 due on 28 October 2013 to 28 April 2014 ("Coupon Deferment");
- (iv) To further defer the payment of FRSB Series 1 of RM10,000,000.00 from its extended maturity date of 28 October 2013 (original due date: 30 April 2012) to 28 April 2013 ("4th Principal Deferment Series 1");
- (v) To further defer the payment of FRSB Series 2 of RM45,000,000.00 from its extended maturity date of 28 October 2013 (original due date: 29 April 2013) to 28 April 2014 ("2nd Principal Deferment Series 2");
- (vi) To waive the requirement to comply with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for Coupon Payment, the Balance Coupon Deferment, the Coupon Deferment, 4th Principal Deferment Series 1 and the 2nd Principal Deferment Series 2; and
- (vii) To waive the requirement to comply with clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the next coupon payment of RM15,283,013.70 and principal amount of FRSB Series 3 of RM90,000,000.00 which fall due on 28 April 2014.

31. FIXED RATE SERIAL BONDS ("FRSB") (cont'd.)

On 23 April 2014, Acqua SPV had approved the following:

- (i) Titisan to settle the coupon payment of RM15,283,013.70 which was due on its extended due date of 28 April 2014 (original due date: 28 October 2013);
- (ii) To defer the sum of RM11,283,113.70 from the balance coupon payment of RM15,283,013.70, which was due on its extended due date of 28 April 2014 to 28 October 2014 ("Balance Coupon Deferment");
- (iii) To further defer the payment of FRSB Series 1 of RM10,000,000.00 from its extended maturity date of 28 April 2014 (original due date: 30 April 2012) to 28 October 2013 ("5th Principal Deferment-Series 1");
- (iv) To further defer the payment of FRSB Series 2 of RM45,000,000.00 from its extended maturity date of 28 April 2014 (original due date: 29 April 2013) to 28 October 2014 ("3rd Principal Deferment-Series 2");
- (v) To defer the payment of FRSB Series 3 of RM90,000,000.00 from its maturity date of 28 April 2014 to 28 October 2014 ("Principal Deferment-Series 3");
- (vi) To waive the requirement to comply with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the Balance Coupon Deferment, 5th Principal Deferment-Series 1, the 3rd Principle Deferment-Series 2 and Principle Deferment-Series 3; and
- (vii) To waive the requirement to comply with clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the next coupon payment of RM15,366,986.30 which fall due on 28 October 2014.

On 1 October 2014, Acqua SPV had approved the following:

- (i) To further defer the payment of FRSB Series 1 of RM10,000,000.00 from its extended maturity date of 28 October 2014 (original due date: 30 April 2012) to 28 April 2015 ("6th Principal Deferment Series 1");
- (ii) To further defer the payment of FRSB Series 2 of RM45,000,000.00 from its extended maturity date of 28 October 2014 (original due date: 29 April 2013) to 28 April 2015 ("4th Principal Deferment Series 2");
- (iii) To defer the payment of FRSB Series 3 of RM90,000,000.00 from its maturity date of 28 October 2014 (original due date: 28 April 2014) to 28 April 2015 ("2nd Principal Deferment Series 3");
- (iv) To waive the requirement to comply with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for 6th Principal Deferment-Series 1, the 4th Principal Deferment-Series 2 and the 2nd Principle Deferment-Series 3; and
- (v) To waive the requirement to comply with clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the next coupon payment of RM15,282,013.70 and for the payment of FRSB Series 4 of RM95,000,000.00 both of which fall due on 28 April 2015.

for the financial year ended 31 December 2015 (cont'd.)

31. FIXED RATE SERIAL BONDS ("FRSB") (cont'd.)

Subsequently, on 31 March 2015, Acqua SPV had approved the following:

- (i) To further defer the payment of FRSB Series 1 of RM10,000,000.00 from its extended maturity date of 28 April 2015 (original due date: 30 April 2012) to 28 October 2015 ("7th Principal Deferment Series 1");
- (ii) To further defer the payment of FRSB Series 2 of RM45,000,000.00 from its extended maturity date of 28 April 2015 (original due date: 29 April 2013) to 28 October 2015 ("5th Principal Deferment Series 2");
- (iii) To further defer the payment of FRSB Series 3 of RM90,000,000.00 from its maturity date of 28 April 2015 (original due date: 28 April 2014) to 28 October 2015 ("3rd Principal Deferment Series 3");
- (iv) To defer the payment of FRSB Series 4 of RM95,000,000.00 from its maturity date of 28 April 2015 to 28 October 2015 ("Principal Deferment-Series 4");
- (v) To waive the requirement to comply with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for 7th Principal Deferment-Series 1, the 5th Principal Deferment-Series 2, 3rd Principle Deferment-Series 3 and Principal Deferment-Series 4; and
- (vi) To waive the requirement to comply with clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the next coupon payment of RM15,366,986.30 which fall due on 28 October 2015 ("Compliance Waiver No.2").

On 21 September 2015, Acqua SPV had approved the following:

- (i) To further defer the payment of FRSB Series 2 of RM45,000,000.00 from its extended maturity date of 28 October 2015 (original due date: 29 April 2013) to 28 April 2016 ("6th Proposed Principal Deferment-Series 2");
- (ii) To further defer the payment of FRSB Series 3 of RM90,000,000.00 from its maturity date of 28 October 2015 (original due date: 28 April 2014) to 28 April 2016 ("4th Proposed Principal Deferment-Series 3");
- (iii) To defer the payment of FRSB Series 4 of RM95,000,000.00 from its maturity date of 28 October 2015 (original due date: 28 April 2015) to 28 April 2016 ("2nd Proposed Principal Deferment-Series 4");
- (iv) To waive the requirement to comply with Clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for 6th Proposed Principal Deferment-Series 2, the 4th Proposed Principal Deferment-Series 3 and the 2nd Proposed Principle Deferment-Series 4 ("Compliance Waiver No.1"); and
- (v) To waive the requirement to comply with clause 9.3(b) of the Trust Deed in relation to meeting the Minimum Required Balance for the next coupon payment of RM15,166,438.35 and for the payment of FRSB Series 5 of RM85,000,000.00 both of which fall due on 28 April 2016 ("Compliance Waiver No.2").

Pursuant to the completion of disposal of TMSB Group to Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") as disclosed in Note 52(a) to the financial statements, the FRSB has been deconsolidated from the consolidated financial statements of the Group as at 31 December 2015.



32. BAI' BITHAMAN AJIL ISLAMIC DEBT SECURITIES ("BAIDS")

Pursuant to the Trust Deed dated 17 August 2006, Viable Chip (M) Sdn. Bhd. ("VCSB") issued RM50 million BaIDS A and RM150 million BaIDS B based on the Islamic financing principle of Murabahah as follows:

- (i) The BaIDS A comprised 2 tranches, with total proceeds of RM46,515,753 and maturing on August 2011 and August 2012, with a total redemption value of RM50,000,000. The difference between the proceeds and face value of the BaIDS is recognised as discount on BaIDS; and
- (ii) The BaIDS B comprised 2 tranches, with total proceeds of RM134,239,420 and maturing on August 2013 and August 2014, with a total redemption value of RM150,000,000. The difference between the proceeds and face value of the BaIDS is recognised as discount on BaIDS.

The BaIDS A are secured by the Guarantee issued under the Kafalah Facility.

The BaIDS B are secured by the following security arrangements:

- (a) Charge over the Syarikat Pengeluar Air Selangor Holdings Berhad's ("SPLASH") shares by VCSB;
- (b) A first ranking charge over the Designated Accounts and over the Permitted Investments out of such accounts including all monies standing to the credit of VCSB;
- (c) A first ranking fixed and floating charge by way of debenture over all the present and future assets and undertakings of VCSB; and
- (d) Third party charge of the entire issued and paid-up share capital of VCSB by the Company.

The security arrangements from (a) to (d) above for the BaIDS B are shared on a pari passu basis as security for the Kafalah Facility.

On 20 May 2011, Acqua SPV Berhad ("Acqua SPV"), a wholly owned subsidiary of Pengurusan Aset Air Berhad ("PAAB") offered to acquire all of the outstanding securities held by the holders of RM50 million BaIDS A and RM150 million BaIDS B issued by VCSB. Subsequently on 29 June 2011, Acqua acquired 100% of VCSB's BaIDS A and BaIDS B amounting to RM200 million.

On 23 August 2011, Acqua SPV approved to defer the payment of Series 1 of Primary BaIDS A of RM20 million from its maturity date of 29 August 2011 to 29 February 2012.

On 24 February 2012, Acqua SPV approved to further defer the payment of Series 1 of Primary BaIDS A of RM20 million from its extended maturity date of 29 February 2012 to 30 August 2012.

for the financial year ended 31 December 2015 (cont'd.)

32. BAI' BITHAMAN AJIL ISLAMIC DEBT SECURITIES ("BAIDS") (cont'd.)

On 27 August 2012, Acqua SPV approved to further defer the payment of Series 1 of Primary BaIDS A of RM20 million from its extended maturity date of 30 August 2012 to 28 February 2013 and to defer the payment of the Series 2 of Primary BaIDS A of RM30 million from its maturity date of 30 August 2012 to 28 February 2013.

Subsequently, on 22 February 2013, Acqua SPV approved to further defer the payment of Series 1 and Series 2 of Primary BaIDS A of RM20 million and RM30 million, respectively from their extended maturity date of 28 February 2013 to 30 August 2013:

- (i) The Series 1 and Series 2 of Primary BaIDS A of RM20 million and RM30 million, respectively; and
- (ii) The Series 1 of Primary BaIDS B of RM75 million.

On 5 February 2014, Acqua SPV approved to further defer the following payments from the extended maturity date of 28 February 2014 to 29 August 2014:

- (i) The Series 1 and Series 2 of Primary BaIDS A of RM20 million and RM30 million, respectively; and
- (ii) The Series 1 of Primary BaIDS B of RM75 million.

Subsequently on 23 July 2014, Acqua SPV being the sole holder of the BaIDS A and B had resolved and approved amongst others:

- (i) The extension of maturity date of the Series 1 of Primary BalDS A of RM20 million and the Series 2 of Primary BalDS A of RM30 million from their extended maturity date of 29 August 2014 (original maturity date for Series 1: 29 August 2011 and Series 2: 30 August 2012) to 27 February 2015;
- (ii) The extension of maturity date of the Series 1 of Primary BaIDS B of RM75 million from their extended maturity date of 29 August 2014 (original maturity date for Series 1: 30 August 2013) to 27 February 2015; and
- (iii) The extension of maturity date of the Series 2 of Primary BaIDS B of RM75 million from its maturity date of 29 August 2014 to 27 February 2015.

On 30 January 2015, Acqua SPV approved to further defer the payment of the Series 1 and 2 of Primary BalDS A of RM20 million and RM30 Million respectively and the payment of Series 1 and 2 of Primary BalDS B of RM75 million both from the extended maturity date of 27 February 2015 to 28 August 2015.

On 6 August 2015, Acqua approved to further defer the payment of the Series 1 and 2 of Primary BaIDS A of RM20 million and RM30 million respectively and the payment of Series 1 and 2 of Primary BaIDS B of RM75 million each from their extended maturity date of 28 August 2015 to 29 February 2016.

Pursuant to the completion of the disposal of TMSB Group to Air Selangor on 31 December 2015, the VCSB BaIDS was deemed settled on the even date.

33. GOVERNMENT SOFT LOAN

On 1 March 2013, Konsortium Abass Sdn. Bhd. ("ABASS"), a subsidiary of the Company, had entered into a Loan Facility Agreement with the Selangor State Government in respect of a loan facility of RM30 million ("Selangor State Government Loan") granted to ABASS by the Selangor State Government.

The salient terms of the Selangor State Government Loan are as follows:

(i) Facility Amount : RM30 million

(ii) Purpose of Loan : To finance asset replacement works ("ARW") for operations exceeding the

design capacity for Sungai Semenyih Water Treatment Plant.

(iii) Repayment : The Facility Amount to be repayable over fifteen (15) years beginning on

30 September 2016 to 30 September 2030 of RM2 million per annum.

(iv) Interest : Nil

During the year, ABASS had drawndown RM3,178,165 (2014: RM23,555,027) from this facility. FRS 120 requires the benefit of a government loan at a below market rate of interest to be treated as a government grant. The difference between the amount received and the present value of estimated cash flows discounted at market interest rate is recognised in profit or loss over the period in which ABASS recognises the costs of the ARW for which the Selangor State Government Loan is granted for.

	Gr	Group		
	2015 RM'000	2014 RM'000		
Net carrying amount				
At 1 January	15,627	2,502		
Drawndown during the year	3,178	23,555		
Fair value gain on government soft loan	(2,145)	(10,656)		
Unwinding of discount (Note 11(a))	1,176	226		
	17,836	15,627		
Disposal of a subsidiary company (Note 11(a))	(17,836)	-		
At 31 December	-	15,627		

for the financial year ended 31 December 2015 (cont'd.)

34. PROVISION FOR CONCESSION LIABILITY

	G	roup
	2015 RM′000	2014 RM'000
Cost		
At 1 January	207,887	173,809
Effect of changes in estimates (Note 22)	(14,974)	41,687
Unwinding of discounting (Note 11(a))	15,414	17,811
Settlement of concession liability	(15,025)	(25,420)
	193,302	207,887
Disposal of a subsidiary company (Note 11(a))	(193,302)	-
At 31 December	-	207,887

The provision for concession liability relates to asset replacement works and maintenance obligations for a period of 30 years from 2 January 2001.

The effect of changes in estimates is the effect of the revision on the timing of estimated outflows to settle the present obligation at the end of the reporting period and changes to the discount rate to reflect the current best estimate.

35. ACCRUED LEASE RENTAL

	Gr	Group		
	2015 RM′000	2014 RM'000		
At 1 January	108,044	152,031		
Unwinding of discounting (Note 11(a))	7,614	10,867		
Effect of changes in estimates (Note 19)	(12,747)	(54,854)		
	102,911	108,044		
Disposal of a subsidiary company (Note 11(a))	(102,911)	-		
At 31 December	-	108,044		

The amount relates to accrued lease rental payable to the State Government, as stipulated in the Privatisation Cum Concession Agreement ("PCCA") dated 9 December 2000.

The effect of changes in estimates is the effect of the revision on the timing of estimated outflows to settle the present obligation at the end of the reporting period and changes to the discount rate to reflect the current best estimate.

36. DEFERRED MEMBERSHIP INCOME

	Gr	oup
	2015 RM'000	2014 RM'000
At 1 January Amortisation during the year Written off	:	1,351 (106) (1,245)
At 31 December	-	-

Membership fees received are in respect of golfing licence fees and non-golfing membership fees.

37. DEFERRED TAX

	Gı	Group		
	2015 RM'000	2014 RM'000		
At 1 January	(121,253)	(117,235)		
Recognised in income statement (Note 10)	(16,479)	(4,018)		
Disposal of a subsidiary company (Note 11(a))	137,701	-		
At 31 December	(31)	(121,253)		
Presented after appropriate offsetting as follows:				
Deferred tax assets	154	79,765		
Deferred tax liabilities	(185)	(201,018)		
	(31)	(121,253)		

for the financial year ended 31 December 2015 (cont'd.)

37. DEFERRED TAX (cont'd.)

Deferred income tax as at 31 December relates to the following:

Deferred tax liabilities of the Group:

	Intangible assets RM'000	Property, plant and equipment RM'000	Concession Receivable RM'000	Government soft loan RM'000	Provision RM'000	Total RM'000
At 1 January 2015	(64,468)	(1,332)	(51,972)	(2,799)	(80,447)	(201,018)
Recognised in income statement	4,186	1,147	7,586	(120)	(16,670)	(3,871)
Disposal of subsidiary	60,282	-	44,386	2,919	97,117	204,704
At 31 December 2015	-	(185)	-	-	-	(185)
At 1 January 2014	(76,852)	(156)	(47,421)	_	(74,338)	(198,767)
Recognised in income statement	12,384	(1,176)	(4,551)	(2,799)	(6,109)	(2,251)
At 31 December 2014	(64,468)	(1,332)	(51,972)	(2,799)	(80,447)	(201,018)

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowance RM'000	Provision for concession liability RM'000	Accrued lease rental RM'000	Others RM'000	Total RM'000
At 1 January 2015 Recognised in income statement Disposal of subsidiary	- 154 -	49,113 (5,579) (43,534)	27,011 (2,313) (24,698)	3,641 (4,870) 1,229	79,765 (12,608) (67,003)
At 31 December 2015	154	-	-	-	154
At 1 January 2014 Recognised in income statement At 31 December 2014	71 (71) -	43,453 5,660 49,113	38,008 (10,997) 27,011	3,641 3,641	81,532 (1,767) 79,765

37. DEFERRED TAX (cont'd.)

Deferred tax assets not recognised as at 31 December relate to the followings:

		Group		Company	
	1	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
					ı
Unutilised tax losses		113,735	104,590	39,816	35,197
Unabsorbed capital allowances		55,556	53,091	2,453	1,506
Other deductible temporary differences		5,331	4,085	969	103
		174,622	161,766	43,238	36,806

Section 44(5A) and Paragraph 75A of Schedule 3 of the Malaysian Income Tax Act 1967 ("MITA") which became effective in Year of Assessment ("YA") 2006 restricts the utilisation of unabsorbed business losses and capital allowance where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unabsorbed losses/capital allowances were ascertained with those on the first day of the basis period in which the unabsorbed losses/capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance ("MOF") has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and business losses.

for the financial year ended 31 December 2015 (cont'd.)

38. TRADE PAYABLES

Current

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables	19,059	28,084	1,340	1,973
Other payables (Note 39)	57,416	80,681	5,997	6,771
Amount due to immediate holding company				
(Note 40(a))	203	190	-	-
Amounts due to subsidiaries (Note 40(b))	-	-	642	58,378
Amounts due to related companies (Note 40(c))	38	50	23	23
	76,716	109,005	8,002	67,145
Add: Loans and borrowings (Note 30)	30,130	1,023,256	30,000	-
Total financial liabilities carried at amortised cost	106,846	1,132,261	38,002	67,145

The normal trade credit terms granted to the Group range from 30 to 120 days (2014: 30 to 120 days). These amounts are non-interest bearing.

39. OTHER PAYABLES

Current

	Gro	Group		pany
	2015 RM′000	2014 RM'000	2015 RM'000	2014 RM'000
Accruals	12,452	33,422	3,767	4,485
Sundry payables	4,659	7,259	2,013	2,286
GST payable	305	-	217	-
Advance received in relation to Development Agreement	40,000	40,000		-
	57,416	80,681	5,997	6,771

These amounts are non-interest bearing. Other payables are normally settled on an average term of 30 to 90 days (2014: 30 to 90 days).

40. AMOUNTS DUE TO IMMEDIATE HOLDING COMPANY, SUBSIDIARIES AND RELATED COMPANIES

		Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(a)	Amount due to immediate holding company	203	190	- (42)	-
(b) (c)	Amounts due to subsidiaries Amounts due to related companies	38	50	642	58,378
		241	240	665	58,401

The amounts due to immediate holding company, subsidiaries and related companies are unsecured, non-interest bearing and repayable on demand.

41. SHARE CAPITAL

		Group/Company				
	- 1	Number of ordinary shares of RM1 each		Amount		
	_	2015 ′000	2014 ′000	2015 RM′000	2014 RM'000	
Authorised:						
At 1 January/31 December		1,000,000	1,000,000	1,000,000	1,000,000	
Issued and fully paid: At 1 January/31 December		499,004	499,004	499,004	499,004	

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

for the financial year ended 31 December 2015 (cont'd.)

42. SHARE PREMIUM

Group/Company	Group/C	
2015 2014 M'000 RM'000	2015 RM'000	
39,088 39,088	39,088	At 1 January/31 December

43. OTHER RESERVES

	Revaluation reserve RM'000	General reserve RM'000	Total RM'000
Group			
At 1 January 2015 Transaction with owners	102,080	8,000	110,080
Disposal of a subsidiary company	(102,080)	-	(102,080)
At 31 December 2015	-	8,000	8,000
At 1 January/31 December 2014	102,080	8,000	110,080

	General reserve RM'000	
Company		
At 1 January/31 December 2015	8,000	
At 1 January/31 December 2014	8,000	

(a) General reserve

The general reserve represents transfer of profits to reserve account.

(b) Revaluation reserve

The revaluation reserve represents the fair value adjustments on an earlier piecemeal acquisition of a subsidiary. The subsidiary was disposed on 31 December 2015 as disclosed in Note 11(a) and 52(a).

44. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2015 may be distributed as dividend under the single-tier system.

45. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	2015 RM'000	2014 RM'000
Group		
Sale of goods to a subsidiary company of NCI: -Sungai Harmoni Sdn. BhdTaliworks (Langkawi) Sdn. Bhd.	16,498 1,209	15,557 1,256
Sale of goods to a related company: -Konsortium Air Selangor Sdn. Bhd.	1,013	913
Management fees received from immediate holding company: -Kumpulan Darul Ehsan Berhad	154	2,524
Management fees received from related companies: -Konsortium Air Selangor Sdn. BhdKumpulan Hartanah Selangor Berhad -KDEB Waste Management Sdn. BhdCentral Spectrum (M) Sdn. BhdHebat Abadi Sdn. BhdSAP Holdings Berhad	36 58 30 12 6	36 146 37 12 - 1
Management fees paid to immediate holding company: -Kumpulan Darul Ehsan Berhad	-	(1,000)
Rental income received from related companies: -Kumpulan Hartanah Selangor Berhad -Konsortium Air Selangor Sdn. BhdHebat Abadi Sdn. Bhd.	445 77 63	763 77 37

for the financial year ended 31 December 2015 (cont'd.)

45. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd.)

(a) Sale and purchase of goods and services (cont'd.)

	2015 RM′000	2014 RM'000
Company		
Rental income		
(i) Immediate holding company -Kumpulan Darul Ehsan Berhad	104	
(ii) Subsidiaries -Konsortium Abass Sdn. BhdPerangsang Hotel and Properties Sdn. BhdHydrovest Sdn. Bhd.	269 - -	260 924 27
(iii) Related companies -Kumpulan Hartanah Selangor Berhad -Hebat Abadi Sdn. BhdKonsortium Air Selangor Sdn. Bhd.	445 63 77	763 37 77
Management fees received		
(i) Immediate holding company -Kumpulan Darul Ehsan Berhad	154	2,524
 (ii) Subsidiaries -Perangsang Hotel and Properties Sdn. Bhd. -Hydrovest Sdn. Bhd. -Konsortium Abass Sdn. Bhd. -Aqua Flo Sdn. Bhd. -Cash Band (M) Berhad 	24 24 342 33	24 37 217 - 146
(iii) Related companies -KDEB Waste Management Sdn. BhdKumpulan Hartanah Selangor Berhad -Central Spectrum (M) Sdn. BhdKonsortium Air Selangor Sdn. BhdHebat Abadi Sdn. BhdSAP Holdings Berhad	29 58 12 36 6	38 146 12 36 -
Interest income received		
(i) Advances to subsidiaries -Cash Band (M) Sdn. BhdTitisan Modal (M) Sdn. BhdPerangsang Oil and Gas Sdn. BhdPerangsang Telco Sdn. Bhd.	890 767 1,149 177	335 764 712
(ii) Advances to immediate holding company -Kumpulan Darul Ehsan Berhad	525	-
Management fees paid to immediate holding company -Kumpulan Darul Ehsan Berhad	-	(1,000)

45. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd.)

(b) Compensation of key management personnel

	Gro	Group		pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries, wages and bonuses	1,073	1,654	150	571
Fees and allowances	915	724	754	710
Defined contribution plan	157	241	24	85
Other employee benefits	321	298	286	260
	2,466	2,917	1,214	1,626

Included in the total key management personnel are:

	Gro	Group		pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors' remuneration (Note 9) -continuing operations -discontinued operations	1,492 654	1,835 793	928	1,366
alscontinued operations	2,146	2,628	928	1,366

for the financial year ended 31 December 2015 (cont'd.)

46. COMMITMENTS

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Capital expenditure Approved but not contracted for: Property, plant and equipment	25,812	30,450	25,812	30,450
Approved and contracted for: Property, plant and equipment	2,495	-	-	-
Approved capital expenditure in respect of assets replacement works contracted but not provided for in the financial statements	-	10,334	-	-

(b) Operating lease commitments - as lessee

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Operating lease Operating lease rental on the rights to use the existing facilities payable -later than five years	-	326,000	-	-

The existing facilities refer to the Sungai Semenyih Water Supply Scheme which consist of the Sungai Semenyih Dam, Intakes, Water Treatment Plant and Water Transfer Facilities ("Existing Facilities").

In consideration for the use of the Existing Facilities, Konsortium Abass Sdn. Bhd., a subsidiary company prior to 31 December 2015, shall pay to the Selangor State Government an agreed annual rental fee over the duration of the concession period of 30 years.

46. COMMITMENTS (cont'd.)

(c) Operating lease commitments - as lessor

The Company entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one to three years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Com	pany
	2015 RM'000	2014 RM'000
Not later than 1 year Later than 1 year but not later than 3 years	5,597 1,905	6,561 4,622
	7,502	11,183

(d) Finance lease commitments

The Group has finance leases for motor vehicles (Note 14).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Gı	oup
	2015 RM'000	2014 RM'000
Minimum lease payments:		
Not later than 1 year	47	54
Later than 1 year and not later than 2 years	47	47
Later than 2 years and not later than 5 years	52	99
Total minimum lease payments	146	200
Less: Amount representing finance charges	(16)	(23)
Present value of minimum lease payments	130	177
Present value of minimum lease payments:		
Not later than 1 year	42	47
Later than 1 year and not later than 2 years	42	42
Later than 2 years and not later than 5 years	46	88
Present value of minimum lease payments (Note 30)	130	177
Less: Due within 12 months (Note 30)	(42)	(47)
Due after 12 months (Note 30)	88	130

for the financial year ended 31 December 2015 (cont'd.)

47. GUARANTEES AND CONTINGENT LIABILITIES

	Gro	up	Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(i) Secured: Provision of corporate guarantee for an				
associate: (i) For financing/refinancing of the credit facilities for the purchase consideration of business and identifiable assets	44,557	56,572		-
(ii) Working capital and issuance of bank guarantees(iii) For the warrant guarantee	28,000 3,558	28,199 5,000	-	-
(ii) Unsecured: - Performance guarantees to third parties	669	669	669	669

48. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Gro	oup	Com	pany
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets At 31 December 2015				
Club memberships	523	*	523	*
At 31 December 2014 Club memberships	733	*	523	*

* The directors are of the view that it is not practicable within the constraints of timeliness and cost to estimate reliably the fair values of the club membership.

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(a) Fair value of financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd.)

		Gro	up	Comp	pany
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities At 31 December 2015					
Finance lease commitments	46(d)	88	-	-	-
At 31 December 2014 Finance lease commitments	46(d)	130	-	-	

(b) Fair value measurement hierarchy

As stipulated in Amendments to FRS 7: *Improving Disclosure about Financial Instruments*, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

- Level 1 the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

for the financial year ended 31 December 2015 (cont'd.)

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(b) Fair value measurement hierarchy (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's assets:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31 December 2015				
Asset for which fair value are disclosed: Investment properties (Note 15)	-		8,000	8,000
Asset measured at fair value: Money market deposits (i)	60,812		-	60,812
As at 31 December 2014				
Asset for which fair value are disclosed: Investment properties (Note 15)	-		7,000	7,000
Asset measured at fair value: Money market deposits (i)	86,762		-	86,762
Company				
As at 31 December 2015				
Asset for which fair value are disclosed: Investment properties (Note 15)	-		156,000	156,000
Asset measured at fair value: Money market deposits (i)	53,153		-	53,153
As at 31 December 2014				
Asset for which fair value are disclosed: Investment properties (Note 15)	-		113,500	113,500
Asset measured at fair value: Money market deposits (i)	79,354		-	79,354

⁽i) The fair value of money market deposits is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

<u>Trade and other receivables, trade and other payables, loans and borrowings and amounts due from/(to) immediate holding, subsidiaries and related companies and associate</u>

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values due to their short-term nature or that are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Borrowings

The carrying amount of the loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

Amounts due from subsidiaries, finance lease obligations and fixed rate bank loans

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or lease arrangements at the reporting date.

Unquoted equity instruments

These investments are valued using valuation models which uses both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are regularly reviewed by the Audit Committee.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

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 the management of these risks.

for the financial year ended 31 December 2015 (cont'd.)

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. The Group's credit risk exposure is significantly concentrated on its trade receivable owing by SYABAS, which makes up nil (2014: 97%) of total long term and trade receivables of the Group.

(i) Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 25. Deposits with banks and other financial institutions, that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings.

(ii) Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 25 and 26.

(b) Liquidity risk

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

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position.

At the reporting date, approximately 99% (2014: 43%) and 100% (2014: nil) of the Group's and the Company's loans and borrowings (Note 30) will mature in less than one year based on the carrying amount reflected in the financial statements.

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

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

			2015 RM′000		
	Note	On demand or within one year	One to five years	Over five years	Total
Group					
Financial liabilities:					
Trade payables Other payables Amount due to immediate holding company Amount due to related companies Loans and borrowings Total undiscounted financial liabilities	38 39 40(a) 40(c)	19,059 57,416 203 38 31,673 108,389	- - - - 99 - 99		19,059 57,416 203 38 31,772 108,488
Company Financial liabilities: Trade payables Other payables Amount due to subsidiaries Amounts due to related companies Loans and borrowings Total undiscounted financial liabilities	38 39 40(b) 40(c)	1,340 5,997 642 23 31,626 39,628			1,340 5,997 642 23 31,626 39,628

for the financial year ended 31 December 2015 (cont'd.)

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(b) Liquidity risk (cont'd.)

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

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

			2014 RM′000		
	Note	On demand or within one year	One to five years	Over five years	Total
Group					
Financial liabilities:					
Trade payables	38	28,084	-	-	28,084
Other payables	39	80,681	-	-	80,681
Amount due to immediate holding	40(a)	190			190
company Amount due to related companies	40(a) 40(c)	50			50
Loans and borrowings	+0(c)	492,448	550,722	311,047	1,354,217
Government soft loan		-	8,000	18,822	26,822
Total undiscounted financial liabilities		601,453	558,722	329,869	1,490,044
Company					
Company					
Financial liabilities:					
Trade payables	38	1,973	-	-	1,973
Other payables	39	6,771	-	-	6,771
Amounts due to subsidiaries Amounts due to related companies	40(b) 40(c)	58,378 23			58,378 23
Total undiscounted financial liabilities				<u> </u>	
Total undiscounted financial liabilities		67,145			67,145

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(c) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group has both short and long term debts. The tenure of the debts is matched against its underlying assets. For short term working capital requirements, the cost of borrowings is principally on floating rate basis.

In addition, the Group has borrowed on a long term basis where the cost of borrowings is fixed to match the tenure of the underlying assets. These borrowings are based on Islamic principle and are not subject to interest rate risk. The Group also manages its interest rate exposure by maintaining fixed rate borrowings.

It is the Group's policy not to trade in interest rate swap agreements.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit after tax will be higher/lower by approximately RM4,973 (2014: RM16,687) respectively as a result of lower/higher interest expense on term loans.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than Ringgit Malaysia ("RM"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD") and Pound Sterling ("£").

Approximately 7.68% (2014: 11.65%) of the Group's cost are denominated in the foreign currencies. The Group's trade payables balances at the reporting date have similar exposures.

Sensitivity analysis for foreign currency risk

Assuming a change of 3% in USD average rates collectively against Ringgit Malaysia, with all other variables held constant, the impact to the Group's profit after tax will be approximately RM143,859 (2014: RM200,387)

for the financial year ended 31 December 2015 (cont'd.)

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risk arising from its investment in quoted equity instruments and placement in money market deposits. The instruments are classified as financial assets at fair value through profit or loss.

To manage its market price risk, the Group and the Company manage its portfolio in accordance with established guidelines and policies.

Sensitivity analysis for market price risk

At the reporting date, if the Group's and the Company's instruments had been 2% higher/lower, with all other variables held constant, the Group's profit and loss would have been increase/(decrease) by RM1,219,190 (2014: RM1,724,498) higher/lower, arising as a result of changes in the fair value of the financial assets classified as fair value through profit and loss.

50. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust its capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

50. CAPITAL MANAGEMENT (cont'd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within its net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserves.

		Gr	oup
	Note	2015 RM'000	2014 RM'000
Trade payables	38	19,059	28,084
Other payables	39	57,416	80,681
Amount due to immediate holding company	40(a)	203	190
Amounts due to related companies	40(c)	38	50
Loans and borrowings	30	30,130	1,023,256
Less: Cash and bank balances	29	(92,558)	(164,474)
Net debt		14,288	967,787
Total capital, equity attributable to the owners of the parent		1,237,215	1,200,354
Capital and net debt		1,251,503	2,168,141
Gearing ratio		1%	45%

51. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has seven reportable operating segments as follows:

- Investment holding
- Infrastructure and utilities
- Trading
- Hospitality
- Golf club and recreational facilities
- Oil and gas
- Telecommunication

for the financial year ended 31 December 2015 (cont'd.)

51. SEGMENT INFORMATION (cont'd.)

Group - continuing operations

	Investment holding RM'000	Infrastructure and utilities RM′000	Trading RM'000	Hospitality RM'000	Telco RM'000	Oil & gas RM'000	Others RM'000	Adjustments and eliminations RM′000	Note	Consolidated RM'000
2015										
Revenue External revenue Inter-segment	8,879	1 1	62,474	13,748	1 1	1 1	1 1	(3,692)	∢	85,101
	12,571	1	62,474	13,748		1	1	(3,692)		85,101
Results:	608	1	376	289	1	1	180	- (000)		1,453
Depreciation and amortisation Share of results of associates	2,433	112,139	<u> </u>	4,030	1,669	(2,781)	1 1	(434)		0,647
Other non-cash expenses Segment profit/(loss)	1,915	1 1	5,854	24 (7,201)	1 1	1 1	(12)	50,347	<u>м</u> О	50,903
Assets: Investment in associates	906,402	131,487	' ()	7	1	1	ı	1	۵	1,037,889
Additions to non-current assets Segment assets	182 597,644	1 1	290 46,351	131,176	' '	' '	10,513	576,304	Э Ш	1,361,988
Liabilities: Segment liabilities	228,171	,	17,785	6,136	1	1	504	(145,255)	Щ	107,341

for the financial year ended 31 December 2015 (cont'd.)

51. SEGMENT INFORMATION (cont'd.)

Group - continuing operations (cont'd.)

	Investment holding RM′000	Infrastructure and utilities RM'000	Trading RM'000	Hospitality RM'000	Golf club & recreational facilities RM'000	Telco RM'000	Oil & gas RM'000	Others RM'000	Adjustments and eliminations RM′000	Note	Consolidated RM′000
2014											
Revenue External revenue Inter-segment	11,875 8,807	1 1	55,019	20,806	1 1	1 1	1 1	1 1	- (8,807)	∢	87,700
	20,682	1	55,019	20,806	1	1	1	1	(8,807)		87,700
Results: Interest income	2,460	1	290	191	1	1	1	180	ı		3,121
Depreciation and amortisation	3,748	1	138	4,447	T.	1	1	1	(1,183)		7,150
Share of results of associates	1	151,943	ı	1	1	1,484	(3,444)	1	1		149,983
Other non-cash expenses Segment (loss)/profit	103 (4,656)	1 1	- 080′9	(9,800)	1 1	1 1	1 1	(13)	133,836	ш О	136 125,447
Assets: Investment in associates Additions to non-current assets	792,976	131,487	- 180	1 1	931	1 1	1 1	1 1	1 1	۵	924,463
Segment assets	701,249	1,407,494	40,522	1	221,553	1	1	10,520	427,452	ш	2,808,790
Liabilities: Segment liabilities	124,898	366,874	15,982		61,459	1	1	500	1,015,936	Ш	1,585,649

for the financial year ended 31 December 2015 (cont'd.)

51. SEGMENT INFORMATION (cont'd.)

Group - Discontinued operations

	Infrastructure and utilities RM'000	Golf club & recreational facilities RM'000	Adjustments and eliminations RM'000	Note	Consolidated RM'000
2015					
Revenue					
External revenue	200,858				200,858
Results :					
Interest income	11,712	73			11,785
Depreciation and amortisation	17,986	_			17,986
Other non-cash expenses	59,571	-	-	В	59,571
Segment profit/(loss)	107,559	(5,303)	(76,053)	С	26,203
2014					
Revenue					
External revenue	220,772	5,560	-		226,332
Results :					
Interest income	14,435	1,772			16,207
Depreciation and amortisation	18,913	770	_		19,683
Share of results of associates	-	(280)	_		(280)
Other non-cash expenses	101,871	60		В	101,931
Segment profit/(loss)	90,615	(10,079)	(75,713)	С	4,823

51. SEGMENT INFORMATION (cont'd.)

Other operations of the Group mainly comprise management and consultancy services which are not of a sufficient size to be reported separately.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

- A Inter-segment revenues are eliminated on consolidation.
- B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2015 RM'000	2014 RM'000
Continuing operations			
Impairment of financial assets: -Trade receivables	7	57	136
Discontinued operations			
Impairment of financial assets: -Trade receivables	11(a),(b)	59,571	101,931

for the financial year ended 31 December 2015 (cont'd.)

51. SEGMENT INFORMATION (cont'd.)

C The following items are added to/(deducted from) segment profit/(loss) to arrive at profit/(loss) before tax presented in the consolidated statement of comprehensive income:

	2015 RM'000	2014 RM'000
Continuing operations		
Share of results of associates	111,027	149,983
Finance costs	(12,148)	(7,467)
Loss upon disposal of a subsidiary company	(32,493)	-
Others	(16,039)	(8,680)
	50,347	133,836
Discontinued operations		
Share of loss of associate		(280)
Finance costs	(80,533)	(87,607)
Gain on disposal of an associate company	-	12,828
Others	4,480	(654)
	(76,053)	(75,713)

D Additions to non-current assets consist of:

	2015 RM′000	2014 RM'000
Continuing operations		
Property, plant and equipment Investment properties	1,549 24	1,937 -
	1,573	1,937
Discontinued operations		
Property, plant and equipment	987	729

51. SEGMENT INFORMATION (cont'd.)

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2015 RM'000	2014 RM'000
Investment in associates Tax recoverable Inter-segment assets	1,037,889 265 (461,850)	924,463 1,378 (498,389)
	576,304	427,452

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

Deferred tax liabilities Tax payable Loans and borrowings Inter-segment liabilities	31 464 30,130 (175,880) (145,255)	121,253 577 1,023,256 (129,150) 1,015,936

for the financial year ended 31 December 2015 (cont'd.)

52. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Offer from Kumpulan Darul Ehsan Berhad ("KDEB") to purchase 90.83% equity in Titisan Modal (M) Sdn. Bhd. ("TMSB")

On 23 June 2014, the Company received an offer letter dated 20 June 2014 in relation to the proposed purchase by KDEB of 90.83% equity in the TMSB ("Proposed Acquisition") and the resolution of the RM150.0 million nominal amount Bai-Bithaman Ajil Islamic Debt Securities A ("BaIDS A") and RM50.0 million amount Bai-Bithaman Ajil Islamic Debt Securities B ("BaIDS B") both issued by Viable Chip (M) Sdn. Bhd., a wholly-owned subsidiary of the Company (BaIDS A and BaIDS B are collectively referred to as "VCSB Liability") vide the assumption of such liabilities by KDEB ("Proposed Resolution") (Proposed Acquisition and Proposed Resolution are collectively referred to as "Proposals").

On the same day, the Company accepted the offer from KDEB on the Proposals based on the following indicative term and conditions:

- (a) The Proposed Acquisition for indicative consideration of RM78.054 million; and
- (b) The Proposed Resolution of the BaIDS A and BaIDS B via KDEB's assumption of the liabilities amounting to an aggregate nominal amount of RM200.0 million as consideration for the settlement of inter-company debt.

On 22 October 2015, the Company had entered into a conditional share purchase agreement ("SPA") in connection with the Proposals with Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"), a wholly-owned subsidiary of KDEB.

Based on the terms of the SPA, the disposal consideration of RM78.054 million, refund of the earnest deposit for the right of first refusal granted by KDEB to the Company of RM87.470 million and advances made by the Company to KDEB between January 2010 and August 2011 of RM34.476 million will be set off against VCSB Liability of RM200.0 million.

The Proposals also entail the Company agreeing that all shareholder's loans and/or inter-company borrowings (and interests accrued thereon) made by the Company to TMSB as at completion date will not be claimed by the Company.

On 9 December 2015, the Proposals were approved by the minority shareholders' of the Company at its Extraordinary General Meeting.

Subsequently on 31 December 2015, all the conditions precedent had been fulfilled and satisfied or otherwise waived on even date, and in this regard, the Proposals were deemed completed on 31 December 2015.

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS")

On 28 March 2011, ABASS filed a Writ of Summons against SYABAS to claim amongst others, a declaration on Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") liabilities to make full payment on the invoices issued by ABASS pursuant to the PCCA dated 9 December 2000 and related agreements including the Novation Agreement dated 15 February 2005; judgement for the sum of RM149,478,553.02 for outstanding invoices from January 2010 to October 2010 as well as interest on the previous outstanding invoices amounting to RM6,218,522.57 for the period of June 2006 to December 2009, all payments due in respect of invoices issued after the date of the Writ and interest on the outstanding amount of the invoices for the months from January 2010 to October 2010 at the rate of one percent (1%) per annum plus the base lending rate of Malayan Banking Berhad calculated on daily basis until the date of full payment.

On 30 March 2011, ABASS's solicitors had extracted the sealed Writ of Summons from the Court and this was served on SYABAS on the same day.

SYABAS filed their Defence on 6 May 2011 and ABASS's solicitors filed the ABASS's Reply and Defence to Counterclaim on 27 May 2011. The matter was fixed for Case Management on 30 May 2011. The Court was informed that ABASS intends on filing an application for Trial of Preliminary Issues. In response, SYABAS's solicitors informed the Court that they too will be issuing Third Party Proceedings against the Selangor State Government. The Learned Senior Assistant Registrar of the Court has fixed this case for mention on 7 July 2011.

On 6 July 2011, ABASS's solicitors filed an application for Trial of Preliminary Issues. On the same day, SYABAS also filed an application for leave to issue a Third Party Notice against the Selangor State Government. The Defendant further filed an application to amend their Defence and Counterclaim on 29 July 2011.

After a series of Case Management, the Court fixed 26 September 2011 as the final Case Management date where ABASS and SYABAS must exhaust their affidavits.

On 26 September 2011, the Court was informed on the three (3) pending applications to be heard. The three applications are ABASS's applications for Trial of Preliminary Issue, SYABAS's application for leave to issue Third Party Notice and SYABAS's application to amend the defence and counterclaim.

On 5 October 2011, the Court fixed hearing dates for the 3 enclosures on 21 October 2011 and 21 November 2011 respectively.

for the financial year ended 31 December 2015 (cont'd.)

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

On 3 November 2011, the Court allowed SYABAS's applications to amend the defence and counterclaim and to issue Third Party Notice against the Selangor State Government.

On 8 November 2011, ABASS's solicitors filed and served an appeal against the Court's decision in allowing SYABAS application for leave to issue Third Party Notice and application to amend their defence and counterclaim ("Appeal").

On 23 November 2011, the matter was fixed for hearing of ABASS's Appeal and the Court fixed the decision date on 8 December 2011.

On 8 December 2011, the Court dismissed ABASS's Appeal.

On 13 January 2012, ABASS's solicitors attended the hearing of the application for Trial of Preliminary Issue at the Court. The SYABAS's solicitors sought for an adjournment of the hearing pending the decision of a similar matter of other water concessionaire, SPLASH at the Court of Appeal and Federal Court.

The Learned Judge was informed that there is a Notice of Motion for clarification of the Court of Appeal order pending to be heard at the Court of Appeal. SYABAS's solicitors further informed the learned Judge that SPLASH had also since filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal. SYABAS's solicitors submitted that parties should wait for the outcome of these applications before proceeding with the hearing, as the decisions of the Court of Appeal and Federal Court in the SPLASH suits are directly related to ABASS's suit.

In response, ABASS's solicitors informed the Court that in the event the Court allows the adjournment, it does not amount to a concession of ABASS to the decision in SPLASH suit being binding on the present suit. SYABAS's solicitors also raised concern on the involvement of YA Datuk Ariff's previous firm involvement in the present suit.

The Learned Judge has allowed the adjournment as there may be a possible conflict of interest if the Learned Judge continues to hear the present suit and pending the hearing of the SPLASH matter before the Court of Appeal and the Federal Court. The Court then fixed the next mention on 13 February 2012.

On 20 January 2012, ABASS's solicitors had also filed an application for interim payment from SYABAS to pay RM150,000,000 or other sum which is deemed suitable, reasonable and fair by the court.

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

On 13 February 2012, the matter was fixed before a new judge, the Learned Judge Tuan Mah Weng Kwai. SYABAS's solicitors once again informed the Court that there may be possible conflict of interest for the Learned Judge Tuan Mah Weng Kwai to hear the matter as the Learned Judge's previous firm was involved in a related suit against SYABAS. The Court had fixed the next Case Management on 5 March 2012.

On 5 March 2012, the Learned Judge informed that he will recuse himself for potential conflict of interest. The Deputy Registrar will inform in due course on the new Judge for the matter.

On 16 March 2012, ABASS's solicitors informed the Learned Judge that the matter was initially fixed before 2 Judges but both the Judges have recused themselves on the possibility of conflict of interest. The Learned Judge informed parties that his Lordship also has heard a civil matter to which SYABAS was a party. The solicitors took note of this and informed the Learned Judge that they would seek instructions from their clients on the same.

The Court was informed that there are 3 pending applications before the Court and the applications would be dealt with in the following sequence:

- (a) Third Party's application to set aside third party notice Enclosure 77;
- (b) Plaintiff's application for trial of preliminary issue Enclosure 10; and
- (c) Plaintiff's application for interim payment Enclosure 76.

The Court had fixed the next Case Management on 20 April 2012 for parties to revert with respective clients' instructions on the possible recusal of the Learned Judge.

On 20 April 2012, the Court directed as follows:

- (a) The 3rd Party's application to set aside 3rd party notice be fixed for hearing on 28 June 2012;
- (b) ABASS's application for trial of preliminary issue be fixed for hearing on 10 August 2012; and
- (c) ABASS's application for interim payment be fixed for mention on 10 August 2012.

for the financial year ended 31 December 2015 (cont'd.)

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

SYABAS filed their affidavit in reply for ABASS's application for interim payment on 18 May 2012 and ABASS filed its Affidavit in Reply on 21 June 2012.

On 28 June 2012, the parties attended Court for the 3rd Party's application to set aside 3rd party notice. This only concerns the 3rd Party, Selangor State Government and SYABAS to which solicitors for both parties proceeded with their respective arguments and the Courts fixed the matter for continued hearing on 3 July 2012.

On 3 July 2012, the solicitors of the 3rd Party, Selangor State Government and SYABAS attended Court for continued hearing of the 3rd Party's Application. The Court had fixed the decision of this application on 31 July 2012.

On 18 July 2012, SYABAS filed an affidavit in reply to the ABASS's application for the interim payment.

On 31 July 2012, the Court had allowed the 3rd Party's application to set aside 3rd Party notice and Statement of Claim.

On 2 August 2012, SYABAS filed a Notice of Appeal against the decision of the High Court on 31 July 2012 at the Court of Appeal.

On 10 August 2012, the ABASS's solicitors attended Court for the hearing of ABASS's application for trial of preliminary issue. Both ABASS and SYABAS proceeded to argue on the merits of the ABASS's application wherein the solicitors of the ABASS submitted that leave should be given for trial by way of preliminary issue in this case on the basis that the Court is only required to interpret Section 4.04(c) of the Novation Agreement. In response, SYABAS's solicitors informed the Court that oral evidence is required to be given for the meeting held prior to the signing of the Novation Agreement. SYABAS's solicitors further sought for an adjournment of the hearing pending the receipt of the grounds of judgement from the Court of Appeal for the SPLASH suit as it is related to the issues here.

In response, ABASS's solicitors informed the Court that the grounds of judgement of the Court of Appeal in the SPLASH matter, if at all necessary would only be relevant at the substantive stage of the hearing of preliminary issue. Having heard both parties argument, the Court had fixed the matter for continued hearing on 23 August 2012 and decision on ABASS's application for trial by way of preliminary issues and mention for ABASS's application for interim payment on 3 September 2012.

On 23 August 2012, the Court was informed by SYABAS's solicitors that the Court of Appeal's grounds of judgement for the SPLASH's suit was still not available and the solicitors continue with the hearing of ABASS's application for trial by way of preliminary issue.

On 3 September 2012, the Court allowed ABASS's application for trial by way of preliminary issue and further directed that parties be at liberty to call two (2) witnesses each to testify on the meeting held on 29 March 2004. The next Case Management was fixed on 5 September 2012.

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

At the Case Management held on 5 September 2012, the Learned Judge was informed that SYABAS intend to file 2 applications as follows:

- (a) Application to amend SYABAS's defence in the light of the Notice of Assignment dated 15 August 2012 issued by the Company to SYABAS; and
- (b) Application to stay the proceeding pending the hearing of SYABAS's appeal to the Court of Appeal on the striking out of the 3rd Party's application to set aside 3rd Party notice.

The Learned Judge fixed the next Case Management on 2 October 2012.

On 7 September 2012, SYABAS's solicitors filed the notice of application to amend their defence and counterclaim.

At the Case Management held on 2 October 2012, the Court had fixed 8 November 2012 for the hearing of SYABAS's application to amend its defence and counterclaim, mention for the ABASS's application for interim payment and main action.

On 8 October 2012, ABASS had filed an affidavit in reply to SYABAS's application to amend its defence and counter claim and SYABAS had filed its reply thereto on 15 October 2012.

At the Case Management held on 8 November 2012, the Court allowed SYABAS's amendment application and consequently allowed also for the ABASS to amend its Reply. The Court then fixed 30 November 2012 for the next Case Management and 22 to 24 April 2013 for trial. On 14 November 2012, SYABAS duly filed its reamended Defence and Counterclaim and the ABASS's reamended Reply and Defence to Counterclaim was filed on 3 December 2012.

On 30 November 2012, the Court was informed by SYABAS's solicitors that SYABAS will file an application to strike out the ABASS's suit on the basis of the Notice of Assignment demonstrates that ABASS lacks the locus standi to maintain the action and had requested for time to do so. The Court had fixed the next Case Management on 4 January 2013 for SYABAS to file its striking out application.

On 12 December 2012, SYABAS filed an application to strike out ABASS's suit and ABASS had filed an affidavit in reply thereto on 27 December 2012.

for the financial year ended 31 December 2015 (cont'd.)

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

On 4 January 2013, the matter was fixed before a new judge, the Learned Judge, Hanipah binti Farikullah. The Learned Judge was informed of SYABAS's application to strike out ABASS's suit and that parties are still in the midst of exchanging affidavits. The Learned Judge directed the following:

- (i) SYABAS to file its affidavit in reply on or before 7 January 2013;
- (ii) ABASS to file its reply thereof, if any, on or before 14 January 2013;
- (iii) Written submission to be filed and exchanged on or before 1 March 2013; and
- (iv) Case Management on application for interim payment and hearing of SYABAS's striking out application on 12 March 2013.

On 21 January 2013, the Court of Appeal dismissed the appeal made by SYABAS against the decision by the High Court on 31 July 2012 allowing the 3rd Party's application to set aside 3rd party notice and Statement of Claim.

On 12 March 2013, ABASS's solicitors attended Court for the hearing of SYABAS's striking out application. The Court was informed that the respective parties have filed and exchanged their submission and that parties would like further time to file a reply to the submissions. Having heard this, the Court has directed that:

- (i) Parties file their submissions in reply by 18 March 2013; and
- (ii) Hearing of SYABAS's application to strike out and Case Management of the main action and ABASS's application for interim payment on 20 March 2013.

On 19 March 2013, the ABASS's solicitors filed and served a Notice of Application ("ABASS's Application"):

- (i) To stay the whole proceeding pending disposal of ABASS's Application;
- (ii) To strike out SYABAS's Application to strike out ABASS's suit; and
- (iii) To strike out SYABAS's Statement of Defence and Counterclaim.

ABASS's Application is based on a ground that SYABAS no longer has the locus standi to maintain SYABAS's Application and also their Statement of Defence and Counterclaim due to an assignment given by SYABAS in favour of Pengurusan Aset Air Berhad ("PAAB") when SYABAS's bonds have been acquired by PAAB.

SYABAS subsequently filed its Affidavit In-Reply to ABASS's Application on 20 March 2013 and the Court has fixed ABASS's Application on 20 March 2013.

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

On 20 March 2013, the Court directed the followings:

- (i) ABASS to file Affidavit In-Reply by 25 March 2013;
- (ii) SYABAS to file their Affidavit In-Reply (if any) by 28 March 2013; and
- (iii) Case Management on 29 March 2013 for parties to revert to the Court whether to proceed with their respective striking out applications or to proceed only with the trial by way of preliminary issues.

During the Case Management held on 29 March 2013, ABASS informed the Court that they had just been served with SYABAS's Affidavit In-Reply on 28 March 2013 to oppose ABASS's Application to which SYABAS still refuses to disclose the relevant assignment documents executed by SYABAS. In light of this, ABASS may decide to file another application for discovery of the relevant documents.

The Court duly noted this and had directed the followings:

- (i) The case is fixed for Case Management on 8 April 2013; and
- (ii) Parties are to file then the common bundle of documents, statement of agreed facts; statement of issues to be tried; bundle of pleadings; summary of case; and list of witnesses and their respective roles.

Meanwhile, as for ABASS's intended application, the Court directed the followings:

- (i) ABASS to file application by 3 April 2013;
- (ii) SYABAS to file their Affidavit In-Reply (if any) by 8 April 2013;
- (iii) ABASS to file reply thereto by 11 April 2013;
- (iv) Submission to be filed and exchanged by 15 April 2013; and
- (v) Hearing of the discovery application and the final Case Management are fixed on 17 April 2013.

On 8 April 2013, in the Case Management in compliance with the Court's directions, parties informed the Court that their respective summary of case and list of witnesses had already been filed in Court. ABASS's solicitors also informed the Court that ABASS's discovery application had been filed on 3 April 2013 and that SYABAS is due to file its affidavit in-reply on the same day.

for the financial year ended 31 December 2015 (cont'd.)

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

SYABAS's solicitors then informed the Court that there is a pending leave application by SYABAS in the Federal Court, to appeal against the decision of the Court of Appeal in dismissing SYABAS's appeal against the High Court order in striking out the Third Party Application against Selangor State Government. The motion for leave to appeal to the Federal Court had been fixed for Hearing on 28 August 2013.

Having heard this, the trial dates fixed on 22 to 24 April 2013 are vacated pending disposal of the Hearing of the leave application at the Federal Court. As such, all directions given by the Court earlier pertaining to the trial would be stayed pending the outcome of the Federal Court decision. The Court then fixed 4 September 2013 as the Case Management date for the main action.

However, the other pending applications will proceed as fixed to be as follows:

- (i) ABASS's discovery application hearing maintains to be on 17 April 2013; and
- (ii) SYABAS's and ABASS's striking out applications are fixed for Hearing on 24 April 2013.

On 17 April 2013, the hearing of ABASS's application for discovery and inspection of documents was fixed for hearing before the Learned Judge, Justice Hanipah binti Farikullah at the Kuala Lumpur High Court. In chambers, the Learned Judge had informed the parties that her Ladyship had read the written submission of both parties in relation to the application and proceeded to query on whether the documents sought for in the application has to be specifically identified. ABASS's response was that it had to its best ability identified the documents required and that this is in no way a fishing expedition as averred by SYABAS as ABASS had managed to identify the said documents from SYABAS's own credit report. In turn, SYABAS's solicitor argued that ABASS's pleaded case was one that is based on the Section 4.04 of the Novation Agreement and not the Concession Agreement.

SYABAS informed the Court that in any event, there is a Third Party Proceeding against the State Government of Selangor pending leave at the Federal Court. Taking cognisance of this, the Learned Judge reiterated that her Ladyship's suggestion for the issue of locus standi to be dealt with together with the main action, so as to avoid wasting judicial time. The Court then fixed the main action, ABASS's interim payment application, SYABAS's striking out, ABASS's striking out and ABASS's discovery application for Case Management on 4 September 2013, pending the hearing of SYABAS's leave application at the Federal Court in regards to the Third Party Proceeding against the State Government of Selangor.

The hearing date is fixed on 24 April 2013 for SYABAS's striking out, and ABASS's striking out has been vacated.

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

On 4 September 2013, in the Case Management, the Learned Judge noted that parties are supposed to update the Court on the outcome of the SYABAS's leave application to appeal to the Federal Court pertaining to the dismissal of the Third Party proceeding against the State Government of Selangor. SYABAS's counsel informed that the leave application has been allowed by the Federal Court and that they have since then filed their Notice of Appeal on 2 September 2013.

Having heard this, the Learned Judge ordered for a stay of the present proceeding pending the decision of the Federal Court on the appeal proper. The matter is now fixed for further Case Management on 28 November 2013.

On 28 November 2013, SYABAS had informed us that the Federal Court had fixed the appeal for Case Management on 13 January 2014, pending receipt of the grounds of judgment from the Court of Appeal. The next Case Management was fixed on 27 January 2014 for parties to update the Learned Judge on the status of the said appeal.

On 27 January 2014, SYABAS's solicitors informed that the hearing of SYABAS's appeal at the Federal Court in regard to the Third Party Proceeding against the State Government of Selangor is fixed for hearing on 7 April 2014. Pending this, the Court had fixed the matter for further Case Management on 9 April 2014.

On 9 April 2014, SYABAS's solicitors informed that the hearing of SYABAS's appeal at the Federal Court in regards to the third party proceeding was to be held on the same date. Based on this circumstances, the High Court fixed the matter for further Case Management on 18 April 2014.

On 18 April 2014, the hearing at the Federal Court was yet again postponed to 7 July 2014. The Court fixed the case for Case Management on 9 July 2014.

On 9 July 2014, SYABAS's solicitors informed the Court the hearing at the Federal Court in regards to the Third Party Proceedings fixed on 7 July 2014 had been adjourned to 2 October 2014. The case was fixed for Case Management on 9 October 2014.

On 9 October 2014, the Court was informed that the Federal Court allowed the appeal of SYABAS and as a consequence of which, the State Government of Selangor remains as the third party to this proceeding. The Court was also informed the issue of assignment/locus standi of SYABAS is still pending final determination in a separate suit involving the State Government of Selangor and SYABAS at the Federal Court and it is still at the leave stage and the Case Management fixed on 13 October 2014. During this Case Management, the Learned Judge Justice Hanipah Farikullah informed that she will be transferred to Shah Alam High Court and the case will be taken over by Justice Harminder Singh. The case was fixed for Case Management on 8 December 2014.

for the financial year ended 31 December 2015 (cont'd.)

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(b) Writ of Summons filed by Konsortium ABASS Sdn. Bhd. ("ABASS") against Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") (cont'd.)

On 8 December 2014, the Case Management was fixed before the Learned Registrar, Puan Noor Aishah Mohamed. The Court was informed by SYABAS's solicitors that the hearing of the issue of assignment/locus standi of SYABAS at Federal Court had been fixed for 6 January 2015 but will be adjourned as the lead counsel of SYABAS is away. The case was fixed for Case Management on 13 February 2015.

On 12 February 2015, ABASS's solicitors confirmed with the Court on the Case Management fixed on 13 February 2015. The Court had adjourned the Case Management to 18 February 2015.

On 18 February 2015, during the Case Management fixed before Justice Tuan Harminder Singh, the newly assigned Judge was being briefed of the background facts of the case including the suit between SYABAS against State Government suit on the issue of assignment/locus standi of SYABAS where the Federal Court has fixed for hearing on 14 April 2015. The matter was fixed for further Case Management on 24 April 2015.

On 24 April 2015, the Court was informed that the hearing of the leave application at the Federal Court on 14 April 2015 was adjourned as parties have yet to receive the Grounds of Judgement from the Court of Appeal. Having heard the above, the Court fixed this matter for further Case Management on 29 June 2015.

On 29 June 2015, this case was fixed for Case Management for parties to update the court on the status of the State Government's leave application at the Federal Court on the issue of locus standi of SYABAS following its assignment to CIMB Investment Bank in a separate suit involving the State Government of Selangor and SYABAS.

In the proceeding, the Court was informed that the leave application at the Federal Court is now fixed for Case Management on 21 September 2015. Having heard the above, the Court has now fixed this matter for further Case Management on 1 October 2015.

During the Case Management on 1 October 2015, the Court was informed by the SYABAS counsel that during the Case Management held on 21 September 2015, pending receipt of the grounds of judgement from the Court of Appeal.

Having heard the above, the Court fixed this matter for further Case Management on 1 December 2015 for parties to update the Court on the status of the State Government's leave application at the Federal Court.

On 1 December 2015, the parties informed the Court that the scheduled date of completion of the take-over of water companies is estimated to be at the end of the month and that pending completion, the leave application of the State Government in the SYABAS and State Government suit is also fixed for Case Management on 25 February 2016. Having heard this, the Court has allowed ABASS's request for a further date to be fixed for Case Management on 29 February 2016.

In view of the completion of the disposal of TMSB to Pengurusan Air Selangor Sdn. Bhd. which was deemed completed on 31 December 2015, this case is no longer under the purview of the Group and will not be reported in the future.

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(c) Deferment of Fixed Rate Serial Bonds ("FRSB") at nominal value of up to RM738 million issued by Titisan Modal (M) Sdn. Bhd. ("TMSB")

On 31 March 2015 and 21 September 2015, Acqua SPV Berhad ("Acqua SPV") had approved further the deferment of payment of FRSB as disclosed in Note 31 to the financial statements.

Pursuant to the completion of disposal of TMSB Group to Pengurusan Air Selangor Sdn. Bhd. as disclosed in Note 52(a) to the financial statements, the FRSB has been deconsolidated from the consolidated financial statements of the Group as at 31 December 2015.

(d) Deferment of Bai' Bithaman Ajil Islamic Debt Securities of RM200 million ("BaIDS") issued by Viable Chip (M) Sdn. Bhd. ("VCSB")

On 30 January 2015, Acqua SPV Berhad approved to further defer the payment of the Series 1 and 2 of Primary BaIDS A of RM20 million and RM30 Million respectively and the payment of Series 1 and 2 of Primary BaIDS B of RM75 million both from the extended maturity date of 27 February 2015 to 28 August 2015.

On 6 August 2015, Acqua SPV approved to further defer the payment of the Series 1 and 2 of Primary BaIDS A of RM20 million and RM30 million respectively and the payment of Series 1 and 2 of Primary BaIDS B of RM75 million each from their extended maturity date of 28 August 2015 to 29 February 2016.

Based on the terms of the Share Purchase Agreement dated 22 October 2015 entered into between the Company and Pengurusan Air Selangor Sdn. Bhd. for the disposal of 90.83% equity interest in Titisan Modal (M) Sdn. Bhd., the disposal consideration of RM78.054 million, refund of the earnest deposit for the right of first refusal granted by Kumpulan Darul Ehsan Berhad ("KDEB") to the Company of RM87.470 million and advances made by the Company to KDEB between January 2010 and August 2011 of RM34.476 million will be set off against VCSB BaIDS of RM200.0 million.

Pursuant to the completion of the disposal of TMSB Group to Air Selangor on 31 December 2015, the BaIDS was deemed settled on the even date.

for the financial year ended 31 December 2015 (cont'd.)

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(e) Development Agreement between Cash Band (M) Berhad and Rockbay Streams Sdn. Bhd.

On 6 February 2013, Cash Band (M) Berhad ("CBB"), a subsidiary of the Company had entered into a Development Agreement ("the Agreement") with Setia Eco Templer Sdn. Bhd. ("SET") (formerly known as Rockbay Streams Sdn. Bhd., a wholly-owned subsidiary of S P Setia Berhad for the proposed joint venture involving a mixed development project comprising residential and commercial properties ("the Project").

CBB is the registered and beneficial owner of the following lands:

- (i) The land held under PN 16838 for Lot 614, Pekan Templer, District of Gombak, measuring in area approximately 56.62 hectares being leasehold land for ninety-nine (99) years expiring on 26 March 2094;
- (ii) The land held under PN 17396 for Lot 11, Pekan Templer, District of Gombak, measuring in area approximately 183,000 square metres being leasehold land for ninety-nine (99) years expiring on 26 March 2094; and
- (iii) The land held under HSM 6815 for Lot PT 11444 Templer Park Resort, Mukim Rawang, District of Gombak, measuring in area approximately 3.954 hectares being leasehold land for ninetynine (99) years expiring on 29 September 2095.

In consideration for CBB entering into the Agreement, SET shall pay to CBB a sum ("Landowner's Entitlement") representing thirteen per cent (13%) of the Gross Sales Value ("GSV") of the Project ("Agreed Value") subject to a minimum payment of RM140,000,000.

The above lands ("said Lands") were formerly used as a golf club with commercial facilities located in Templer Park ("Perangsang Templer Golf Club"). Perangsang Templer Golf Club had ceased its operations with effect from 1 January 2015 to facilitate the Project. CBB and SET have mutually agreed to declare the Agreement unconditional on 4 December 2015 and have further agreed to finalise and execute a Supplemental Agreement to vary the Agreement within a period of twenty-one (21) business days commencing from 6 December 2015. On 8 January 2016, CBB and SET have mutually agreed to extend the period for the finalisation and signing of the Supplemental Agreement from 8 January 2016 to 15 February 2016. Subsequently, on 15 February 2016, CBB and SET have further agreed to extend the period for the finalisation and signing of the supplemental agreement from 15 February 2016 to 30 April 2016. On 4 March 2016, CBB and SET entered into a Supplemental Agreement to amend and vary the Agreement.

The salient amendments to the Agreement are, inter alia, as follows:

- (i) the delivery by SET to CBB of a bank guarantee for an amount equal to RM100,000,000 or, in the case where the Agreed Value is reduced, an amount of RM40,000,000, has been amended from "within three (3) months" to "within five (5) months" from the Unconditional Date; and
- (ii) the delivery of vacant possession of the Land by CBB to SET has been amended from "within ten (10) business days from the period of three (3) months from Unconditional Date" to "within ten (10) business dates from the date when SET pays the Second Payment to CBB ("Possession Date")".

52. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd.)

(f) Discontinued operation of Brisdale Hotel International Sdn. Bhd. ("Brisdale Hotel")

On 15 April 2015, Brisdale Hotel which is owned by Brisdale International Hotel Sdn. Bhd., a subsidiary of CBB, announced the cessation of its operations with effect from 16 April 2015 to facilitate refurbishment works to meet future demand.

(g) Subscription of rights issue in Ceres Telecom Sdn. Bhd. ("Ceres Telecom")

On 1 June 2015, Perangsang Telco Sdn. Bhd. ("Perangsang Telco") a wholly owned subsidiary of the Company had subscribed an additional 3.6 million new ordinary shares of RM1.00 each in Ceres Telecom for a total consideration of RM3,600,000 on cash basis as part of the 12 million rights issue by Ceres Telecom.

Subsequently, on 24 June 2015, Perangsang Telco had subscribed an additional 1.8 million new ordinary shares of RM1.00 each which was not subscribed by the other shareholders of Ceres Telecom.

Consequently, the equity stake of Perangsang Telco in Ceres Telecom has increased from 30% to 34.35%.

(h) Acquisition of 100% equity interest in Nadi Biru Sdn. Bhd. ("NBSB")

On 21 March 2016, the Company acquired two (2) ordinary shares of RM1.00 each in NBSB representing 100% of the total issued and paid up capital of NBSB for a total cash consideration of RM2.00 ("Acquisition").

(i) Shareholders' Agreement between Nadi Biru Sdn. Bhd. ("NBSB"), Smartpipe Holdings Sdn. Bhd. ("SHSB") and Smartpipe Technology Sdn. Bhd. ("SPT") ("Shareholders' Agreement")

On 21 March 2016, NBSB, a wholly-owned subsidiary of the Company had entered into a Shareholders' Agreement with SHSB and SPT in relation to, amongst others, the proposed subscription by NBSB of new ordinary shares of RM1.00 each in SPT to own 51% equity stake of the enlarged issued share capital of SPT for a total investment cost of RM5,100,000.00 to carry out SPT's business which principally includes the following activities:

- (i) the marketing, selling and installing of pipes and other products, knowhow and technology granted under the License Agreement primarily for the rehabilitation of water mains, drains and sewers; and
- (ii) such other business as NBSB and SHSB may agree in writing from time to time.

SPT will become a 51% owned subsidiary of NBSB upon the subscription of shares in accordance with the Shareholders' Agreement.

for the financial year ended 31 December 2015 (cont'd.)

53. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Gr	oup
	2015 RM'000	2014 RM'000
Total accumulated losses of the Company and its subsidiaries -Realised -Unrealised	(17,622)	(6,099) (56,749)
Total share of retained profits from associates -Realised	708,745	615,030
Retained earnings as per financial statements	691,123	552,182

	Cor	Company	
	2015 RM'000	2014 RM'000	
Total accumulated profits of the Company -Realised	135 165	152 630	
-Realised	135,165	152,630	



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ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

A. Authorised share capital : RM1,000,000,000.00 Issued and paid-up share capital : RM499,004,119.00

Class of shares : Ordinary shares of RM1.00 each

B. ANALYSIS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARE HELD	% SHARES HELD
Less than 100	561	7.63	28,897	0.01
100-1,000	2,157	29.32	1,337,612	0.27
1,001-10,000	3,131	42.56	15,735,631	3.15
10,001-100,000	1,296	17.62	42,072,125	8.43
100,001 to less than 5%	209	2.84	123,466,966	24.74
5% and above	2	0.03	316,362,888	63.40
Total	7,356	100.00	499,004,119	100.00

C. LIST OF SUBTANTIAL SHAREHOLDERS (5% AND ABOVE)

NO.	NAMES	SHAREHOLDINGS	%	
1.	KUMPULAN DARUL EHSAN BERHAD Shares held in CDS account as follows: a) Own Account: 357,494 b) ABB Nominee (Tempatan) Sdn Bhd: 287,450,000 c) Affin Hwang Nominees (Tempatan) Sdn Bhd: 1,000,000	288,807,494	57.88	ľ
2.	PERBADANAN KEMAJUAN NEGERI SELANGOR Shares held in CDS account as follows: Own account: 50,400 + 27,504,994 = 27,555,394	27,555,394	5.52	

D. LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME	SHAREHOLDINGS	%
1.	ABB NOMINEE (TEMPATAN) SDN BHD Pledged Securities Account for Kumpulan Darul Ehsan Berhad	287.450,000	57.60
2.	PERBADANAN KEMAJUAN NEGERI SELANGOR	27,504,994	5.51
3.	LEMBAGA TABUNG HAJI	24,275,900	4.86
4.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Noor Azman @ Noor Hizam B Mohd Nurdin (CEB)	6,327,800	1.27
5.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT Fund PLD2 for Polunin Emerging Markets Small Cap Fund, LLC	5,666,600	1.14
6.	TABUNG WARISAN NEGERI SELANGOR	5,000,000	1.00
7.	NG CHIEW ENG @ NG CHIEW MING	4,341,600	0.87

D. LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS (CONT'D.)

NO.	NAME	SHAREHOLDINGS	%
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD Amtrustee Berhad for Pacific Pearl Fund (UT-PM-PPF)	3,956,600	0.79
9.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY for Dimensional Emerging Markets Value Fund	3,266,500	0.65
10.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,772,400	0.56
11.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY for DFA Emerging Markets Small Cap Series	2,387,300	0.48
12.	MD NAZIR BIN MD ALI	2,300,000	0.46
13.	KENANGA NOMINEES (ASING) SDN BHD United Forest Limited	2,000,000	0.40
14.	GOH CHYE KEAT	1,781,000	0.36
15.	CK GOH HOLDINGS SDN BHD	1,600,000	0.32
16.	HELLY LYKE TABALUJAN	1,540,000	0.31
17.	RHB NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Teh Teck Tee	1,498,000	0.30
18.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Norazlan Bin Mohamad Nordin (CEB)	1,402,800	0.28
19.	JUMA'AH BINTI MOKTAR	1,351,000	0.27
20.	RHB CAPITAL NOMINIES (TEMPATAN) SDN BHD Pledged Securities Account for Nor Hayati Binti Abd Malik (1181002)	1,236,200	0.25
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Siaw Teck Siong (E-PDG)	1,103,800	0.22
22.	HSBC NOMINEES (ASING) SDN BHD Exempt An for Credit Suisse (SG BR-TST-ASING)	1,087,200	0.22
23.	TASEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Lee Oi Yoke	1,061,000	0.21
24.	MAL MONTE SDN BHD	1,010,000	0.20
25.	HSBC NOMINEES (ASING) SDN BHD Exempt An for Caceis Bank Luxembourg (CLT ACCT-DTT)	1,001,600	0.20
26.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Kumpulan Darul Ehsan Berhad	1,000,000	0.20
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Toh Dee Kong (E-JCL)	1,000,000	0.20
28.	TAN SRI ONG LEONG HUAT @ WONG JOO HWA	1,000,000	0.20
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Noor Azman @ Noor Hizam B Mohd Nurdin (8037673)	892,000	0.18
30.	RHB NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Ong Keng Teong	850,000	0.17

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016 (cont'd.)

E. LIST OF DIRECTORS' SHAREHOLDINGS

NO.	NAMES OF DIRECTORS	SHAREHOLDINGS	%
1.	Y.M RAJA DATO' HAJI IDRIS RAJA KAMARUDIN Share held in CDS account as follows:- a) Kenanga Nominees (Tempatan) Sdn Bhd: 27,047 b) Own Account: 182,900	209,947	0.04
2.	ENCIK MUSTAFFA KAMIL BIN AYUB Share held in CDS account as follows:- Own Account: 26,720	26,720	0.01
3.	ENCIK SUHAIMI BIN KAMARALZAMAN Share held in CDS account as follows:- RHB Nominees (Tempatan) Sdn Bhd: 10,000	10,000	0.00
4.	YB DATO' KAMARUL BAHARIN BIN ABBAS Share held in CDS account as follows:- RHB Nominees (Tempatan) Sdn Bhd: 5	5	0.00
5.	YB SIVARASA A/L RASIAH	0	0.00
6.	YBHG DATO' DR. MOHAMED ARIFFIN BIN ATON	0	0.00
7.	ENCIK ROSELY @ MOHAMED ROSS BIN MOHD DIN Share held in CDS account as follows:- Own Account: 10,320	10,320	0.00
8.	YBHG DATO' IDRIS BIN TAHIR	0	0.00
9.	YM RAJA SHAHREEN BIN RAJA OTHMAN	0	0.00

LIST OF GROUP PROPERTIES

1. KUMPULAN PERANGSANG SELANGOR BERHAD

LOCATION	REGISTERED OWNER	BENEFICIARY OWNER	LAND AREA (ACRES/SQ. FT)	TENURE/LEASE EXPIRY (YEARS)	EXISTING USE	APPROXIMATELY AGE OF BUILDING (YEARS)	DATE OF REVALUATION ACQUISITION	NET BOOK VALUE/ LAND COST AS AT 31/12/2015 (RM'000)
Batang Kali, Hulu Selangor	Perangsang Selangor	Perangsang Selangor	1,763 sq. ft	Freehold	Apartment	31	2-Jan-85	122
Shah Alam, Selangor	Perangsang Selangor	Perangsang Selangor	108,360 sq. ft	Leasehold 99/2086	Office & Hotel	28	5-Jul-00	55,205
Tanjong Tuan, Port Dickson	Perangsang Selangor	Perangsang Selangor	1,099 sq. ft	Leasehold 99/2081	Apartment	30	14-Mar-03	175
Wisma SAP Bandar Baru Selayang Mukim Batu	Perangsang Selangor	Perangsang Selangor	9,957 sq. ft	Leasehold 99 / 2091	Land and 3 storey shop office building	24	3-Nov-10	6,510

2. HYDROVEST SDN. BHD. GROUP

LOCATION	REGISTERED OWNER	BENEFICIARY OWNER	LAND AREA (ACRES/SQ. FT)	TENURE/LEASE EXPIRY (YEARS)	EXISTING USE	APPROXIMATELY AGE OF BUILDING (YEARS)	DATE OF REVALUATION ACQUISITION	NET BOOK VALUE/ LAND COST AS AT 31/12/2015 (RM'000)
AQUA-FLO SDN. BHD.								
Sg Buloh Daerah Kuala Selangor	Aqua-Flo Sdn. Bhd.	Aqua-Flo Sdn. Bhd.	3,000 sq. ft	Leasehold 98 / 2091	Warehouse / Store	22	31-Dec-00	272
Damansara Intan Petaling Jaya	Aqua-Flo Sdn. Bhd.	Aqua-Flo Sdn. Bhd.	1,130 sq. ft	Freehold	Office	14	31-Dec-00	196
			1,249 sq. ft	Freehold	Office	11	20-Sep-03	208

3. CASH BAND (M) BERHAD GROUP

LOCATION	REGISTERED OWNER	BENEFICIARY OWNER	LAND AREA (ACRES/SQ. FT)	TENURE/LEASE EXPIRY (YEARS)	EXISTING USE	APPROXIMATELY AGE OF BUILDING (YEARS)	DATE OF REVALUATION ACQUISITION	NET BOOK VALUE/ LAND COST AS AT 31/12/2015 (RM'000)
QUALITY HOTEL CITY CENTRE (QHCC)								
1702 Section 46 Bandar Kuala Lumpur	QHCC	QHCC	34,714 sq. ft	Leasehold 99/2072	Hotel	42	19-Dec-12	44,537
PERANGSANG TEMPLER GOLF CLUB (PTGC)								
Mukim Rawang Daerah Gombak	PTGC	PTGC	194.65 acres	Leasehold 99/2094	Golf Course & Club House	21	4-Feb-91	42,529
BRISDALE INTERNATIONAL HOTEL SDN BHD (BIH)								
Lot 1738 Seksyen 41 Bandar Kuala Lumpur	BIH	BIH	1,806 sq. mtr	Freehold	Hotel	18	1-Jan-97	24,723



REGISTERED AND BUSINESS ADDRESSES OF KUMPULAN PERANGSANG SELANGOR BERHAD AND SUBSIDIARY COMPANIES

NAN	ΛF	OF.	റ	ΜΡΔ	NY

KUMPULAN PERANGSANG SELANGOR BERHAD (Company No. 23737-K)

PERANGSANG OIL AND GAS SDN BHD (Company No. 989384-M)

PERANGSANG TELCO SDN BHD (Company No. 981000-T)

CASH BAND (M) BERHAD (Company No. 735830-K)

VIABLE CHIP (M) SDN BHD (Company No. 720808-W)

NADI BIRU SDN BHD (Company No. 1174452-M)

HYDROVEST SDN BHD (Company No. 482724-D)

REGISTERED ADDRESS

16th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel: 03-5510 3999 Fax: 03-5510 9977

17th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel: 03-5510 3999 Fax: 03-5510 9977

17th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

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Tel: 03-5510 3999 Fax: 03-5510 9977

16th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel: 03-5510 3999 Fax: 03-5510 9977

BUSINESS ADDRESS

16th & 17th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel: 03-5510 3999 Fax: 03-5510 9977

17th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel: 03-5510 3999 Fax: 03-5510 9977

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17th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel: 03-5510 3999 Fax: 03-5510 9977

17th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

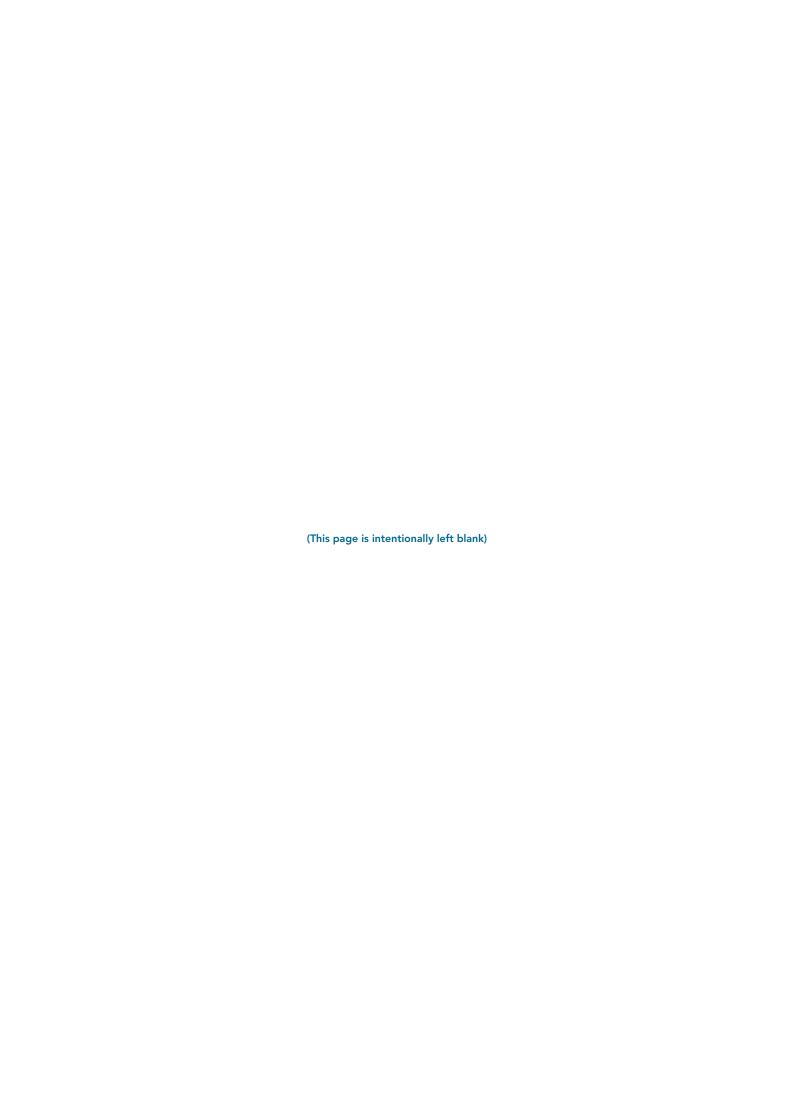
Tel : 03-5510 3999 Fax : 03-5510 9977

17th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel: 03-5510 3999 Fax: 03-5510 9977

16th Floor Plaza Perangsang Persiaran Perbandaran 40000 Shah Alam

Tel : 03-5510 3999 Fax : 03-5510 9977





No. of Ordinary S	hares Held
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PROXY FORM

Proxy Form for the 39th Annual General Meeting

KUMPULAN PERANGSANG SELANGOR BERHAD (23737-K)

(Incorporated in Malaysia)

I/We							NRIC / Pa	assport No. /	/ Company	No			
,,,,,			(full nai	me in capital lette	ers)			200001110.7	Company	110.			
of													
							(full address	s)					
being	а	member	or	members	of	Kumpulan	Perangsang	Selangor	Berhad	("the	Company"),	hereby	appoint
							N	RIC / Passpo	ort No. / Co	ompany	No		
			(full na	me in capital lett	ers)					, ,			
of													
Ŭ			(full ad	dress)									

or failing him, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held at Plenary Hall, SACC Convec, No. 4, Jalan Perbadanan 14/9, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 27 May 2016 at 9:30 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below

		For	Against
Ordinary Resolution 1	To approve a single tier final dividend of 2 sen per share in respect of the financial year ended 31 December 2015		
	To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association :		
Ordinary Resolution 2	a. YM Raja Dato' Haji Idris Raja Kamarudin		
Ordinary Resolution 3	b. Encik Suhaimi bin Kamaralzaman		
Ordinary Resolution 4	c. Encik Rosely @ Mohamed Ross bin Mohd Din		
Ordinary Resolution 5	To approve the Directors' fees of RM441,589.00 for the financial year ended 31 December 2015		
Ordinary Resolution 6	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 7	To re-appoint YBhg Dato' Dr Mohamed Ariffin bin Aton, a Director who retires pursuant to Section 129(6) of the Companies Act, 1965.		
Special Resolution 1	To approve the Proposed Amendment to the Articles of Association		

(Please indicate with an "X" in the spaces provided how you wish your vote to be casted. If you do not do so, the proxy will vote or abstain voting at his discretion)

Signature/Common Seal of Shareholder	Dated this	day of	2016

NOTES

- 1. For the purpose of determining a member who shall be entitled to attend this Thirty-Ninth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 50(b) of the Company's Articles of Association and Section 34(l) of the Securities Industry (Central Depositories) Act 1991 of Malaysia ("Central Depositories Act") to issue a General Meeting Record of Depositors as at 19 May 2016. Only a depositor whose name appears on the Record of Depositors as at 19 May 2016 shall be entitled to attend the said meeting and to speak or vote thereat.
- 2. The proxy need not be a Member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- 3. A Member of the Company, who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, may appoint more than one (1) proxy to attend and vote instead of the Member at the meeting.
- 4. Where a Member of the Company is an authorised nominee as defined on the Central Depositories Act, it may appoint more than one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- 6. Where a Member or the authorised nominee appoints more than one (1) proxy, or where an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 7. If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- 8. If the name is not inserted in the space for the name of your proxy, the Chairman of the meeting will act as your proxy.
- 7. The proxy form must be deposited at the Registrar's Office of Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time of holding the AGM or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.
- 10. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting, should the member subsequently decide to do so.

fold here along dotted line

affix
stamp
here

SYMPHONY SHARE REGISTRARS SDN BHD Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan

Tel: 03 7849 0777 Fax: 03 7841 8151 / 8152

fold here along dotted line



KUMPULAN PERANGSANG SELANGOR BERHAD

(23737-K)

16th - 17th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor, MALAYSIA.

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