



**DIALOG GROUP BERHAD** (178694-V)  
(Incorporated in Malaysia)

Interim Financial Statements  
For The Financial Period Ended  
30 September 2015

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
 FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

|   | INDIVIDUAL PERIOD |               | CUMULATIVE PERIOD |               |
|---|-------------------|---------------|-------------------|---------------|
|   | 3 MONTHS ENDED    |               | 3 MONTHS ENDED    |               |
|   | 30/09/2015        | 30/09/2014    | 30/09/2015        | 30/09/2014    |
|   | RM'000            | RM'000        | RM'000            | RM'000        |
| <b>Revenue</b>  | 536,365           | 541,549       | 536,365           | 541,549       |
| Operating expenses  | (479,729)         | (483,926)     | (479,729)         | (483,926)     |
| Other operating income  | 18,079            | 4,292         | 18,079            | 4,292         |
| Share of profit after tax of equity-accounted joint ventures and associates | 12,060            | 5,432         | 12,060            | 5,432         |
| Finance costs   | (6,217)           | (3,866)       | (6,217)           | (3,866)       |
| <b>Profit before tax</b>  | 80,558            | 63,481        | 80,558            | 63,481        |
| Tax expense   | (18,012)          | (11,334)      | (18,012)          | (11,334)      |
| <b>Profit for the period</b>  | <u>62,546</u>     | <u>52,147</u> | <u>62,546</u>     | <u>52,147</u> |
| <b>Profit for the period attributable to:</b>                               |                   |               |                   |               |
| Owners of the parent  | 60,072            | 49,905        | 60,072            | 49,905        |
| Non-controlling interests   | 2,474             | 2,242         | 2,474             | 2,242         |
|   | <u>62,546</u>     | <u>52,147</u> | <u>62,546</u>     | <u>52,147</u> |
| Basic earnings per ordinary share of RM0.10 each (sen) (Note B13)           | <u>1.18</u>       | <u>1.02</u>   | <u>1.18</u>       | <u>1.02</u>   |
| Diluted earnings per ordinary share of RM0.10 each (sen) (Note B13)         | <u>1.16</u>       | <u>0.97</u>   | <u>1.16</u>       | <u>0.97</u>   |

*(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

## INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE  
INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2015

|  | INDIVIDUAL PERIOD |            | CUMULATIVE PERIOD |            |
|--|-------------------|------------|-------------------|------------|
|  | 3 MONTHS ENDED    |            | 3 MONTHS ENDED    |            |
|  | 30/09/2015        | 30/09/2014 | 30/09/2015        | 30/09/2014 |
|  | RM'000            | RM'000     | RM'000            | RM'000     |
| <b>Profit for the period (Note B14)</b>                              | 62,546            | 52,147     | 62,546            | 52,147     |
| <b>Other comprehensive income</b>                                    |                   |            |                   |            |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                   |            |                   |            |
| Foreign currency translations  | 78,588            | (962)      | 78,588            | (962)      |
| Cash flow hedge  | 6,760             | 171        | 6,760             | 171        |
| Fair value of other investments                                      | -                 | 5,917      | -                 | 5,917      |
| Share of other comprehensive income of a joint venture               | 41,168            | 1,370      | 41,168            | 1,370      |
| <b>Other comprehensive income for the period</b>                     | 126,516           | 6,496      | 126,516           | 6,496      |
| <b>Total comprehensive income for the period</b>                     | 189,062           | 58,643     | 189,062           | 58,643     |
| <b>Total comprehensive income attributable to:</b>                   |                   |            |                   |            |
| Owners of the parent   | 178,241           | 56,399     | 178,241           | 56,399     |
| Non-controlling interests  | 10,821            | 2,244      | 10,821            | 2,244      |
|  | 189,062           | 58,643     | 189,062           | 58,643     |

*(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

## INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015

|  | NOTE | 30/09/2015<br>RM'000    | 30/06/2015<br>RM'000    |
|--|------|-------------------------|-------------------------|
| <b>ASSETS</b>  |      |                         |                         |
| <b>NON-CURRENT ASSETS</b>  |      |                         |                         |
| Property, plant and equipment  |      | 612,558                 | 583,380                 |
| Development of tank terminals  |      | 92,698                  | 88,929                  |
| Intangible assets  |      | 82,822                  | 80,441                  |
| Investments in joint ventures and associates                           | B11  | 1,107,284               | 932,903                 |
| Other investments  |      | 4,988                   | 4,545                   |
| Deferred tax assets  |      | 46,186                  | 50,756                  |
|  |      | <u>1,946,536</u>        | <u>1,740,954</u>        |
| <b>CURRENT ASSETS</b>  |      |                         |                         |
| Inventories  |      | 110,529                 | 89,586                  |
| Trade and other receivables  | A16  | 913,337                 | 930,435                 |
| Current tax assets   |      | 7,624                   | 5,447                   |
| Cash and cash equivalents  | A17  | 854,138                 | 866,316                 |
|  |      | <u>1,885,628</u>        | <u>1,891,784</u>        |
| <b>TOTAL ASSETS</b>  |      | <u><u>3,832,164</u></u> | <u><u>3,632,738</u></u> |
| <b>EQUITY AND LIABILITIES</b>  |      |                         |                         |
| <b>Equity attributable to owners of the parent</b>                     |      |                         |                         |
| Share capital  |      | 509,280                 | 508,329                 |
| Treasury shares  |      | (3,625)                 | (3,625)                 |
| Reserves   |      | 1,666,654               | 1,475,053               |
|  |      | 2,172,309               | 1,979,757               |
| Non-controlling interests  |      | 72,233                  | 66,891                  |
| <b>TOTAL EQUITY</b>  |      | <u>2,244,542</u>        | <u>2,046,648</u>        |
| <b>NON-CURRENT LIABILITIES</b>   |      |                         |                         |
| Borrowings   | B7   | 743,162                 | 593,809                 |
| Deferred tax liabilities   |      | 5,364                   | 3,990                   |
|  |      | <u>748,526</u>          | <u>597,799</u>          |
| <b>CURRENT LIABILITIES</b>   |      |                         |                         |
| Trade and other payables   | A18  | 765,060                 | 672,691                 |
| Borrowings   | B7   | 46,278                  | 265,108                 |
| Current tax liabilities  |      | 27,758                  | 50,492                  |
|  |      | <u>839,096</u>          | <u>988,291</u>          |
| <b>TOTAL LIABILITIES</b>   |      | <u>1,587,622</u>        | <u>1,586,090</u>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |      | <u><u>3,832,164</u></u> | <u><u>3,632,738</u></u> |
| <b>Net assets per share attributable to owners of the parent (sen)</b> |      | <u>42.7</u>             | <u>39.8</u>             |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements.)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

|  | Attributable to owners of the parent |                              |                            |                             |                                |                  | Non -<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
|--|--------------------------------------|------------------------------|----------------------------|-----------------------------|--------------------------------|------------------|---|---------------------------|
|  | Share<br>capital<br>RM'000           | Treasury<br>shares<br>RM'000 | Share<br>premium<br>RM'000 | Other<br>reserves<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000  |   |                           |
| <b>Balance as at 1 July 2015</b>                     | 508,329                              | (3,625)                      | 318,279                    | 237,025                     | 919,749                        | 1,979,757        | 66,891                                      | 2,046,648                 |
| Total comprehensive income for the period            | -                                    | -                            | -                          | 118,169                     | 60,072                         | 178,241          | 10,821                                      | 189,062                   |
| Appropriation :                                      |                                      |                              |                            |                             |                                |                  |   |                           |
| Dividend paid to non-controlling interests           | -                                    | -                            | -                          | -                           | -                              | -                | -   | -                         |
| Share options granted under ESOS                     | -                                    | -                            | -                          | 3,516                       | -                              | 3,516            | 159   | 3,675                     |
| Bonus Issue  | -                                    | -                            | -                          | -                           | -                              | -                | -   | -                         |
| Share options exercised                              | 142                                  | -                            | 1,423                      | (399)                       | -                              | 1,166            | (24)  | 1,142                     |
| Warrants exercised                                   | 809                                  | -                            | 12,221                     | (3,400)                     | -                              | 9,630            | -   | 9,630                     |
| Share issue expenses                                 | -                                    | -                            | (1)                        | -                           | -                              | (1)              | -   | (1)                       |
| Acquisition of shares from non-controlling interests | -                                    | -                            | -                          | -                           | -                              | -                | (1,134)                                     | (1,134)                   |
| Disposal of subsidiary                               | -                                    | -                            | -                          | -                           | -                              | -                | (4,480)                                     | (4,480)                   |
| <b>Balance as at 30 September 2015</b>               | <b>509,280</b>                       | <b>(3,625)</b>               | <b>331,922</b>             | <b>354,911</b>              | <b>979,821</b>                 | <b>2,172,309</b> | <b>72,233</b>                               | <b>2,244,542</b>          |
| <b>Balance as at 1 July 2014</b>                     | 245,884                              | (24,819)                     | 355,504                    | 233,103                     | 749,856                        | 1,559,528        | 51,219                                      | 1,610,747                 |
| Total comprehensive income for the period            | -                                    | -                            | -                          | 6,494                       | 49,905                         | 56,399           | 2,244                                       | 58,643                    |
| Appropriation :                                      |                                      |                              |                            |                             |                                |                  |   |                           |
| Special share dividend FY2014                        | -                                    | 21,194                       | -                          | -                           | -                              | 21,194           | -   | 21,194                    |
| Dividend paid to non-controlling interests           | -                                    | -                            | -                          | -                           | -                              | -                | (55)  | (55)                      |
| Share options granted under ESOS                     | -                                    | -                            | -                          | 3,462                       | -                              | 3,462            | 163   | 3,625                     |
| Bonus Issue  | 245,753                              | -                            | (245,753)                  | -                           | -                              | -                | -   | -                         |
| Share options exercised                              | 117                                  | -                            | 2,120                      | (476)                       | -                              | 1,761            | (97)  | 1,664                     |
| Warrants exercised                                   | 390                                  | -                            | 7,282                      | (2,009)                     | -                              | 5,663            | -   | 5,663                     |
| Share issue expenses                                 | -                                    | -                            | (422)                      | -                           | -                              | (422)            | -   | (422)                     |
| <b>Balance as at 30 September 2014</b>               | <b>492,144</b>                       | <b>(3,625)</b>               | <b>118,731</b>             | <b>240,574</b>              | <b>799,761</b>                 | <b>1,647,585</b> | <b>53,474</b>                               | <b>1,701,059</b>          |

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

|   | <b>3 MONTHS ENDED</b> |                   |
|---|-----------------------|-------------------|
|   | <b>30/09/2015</b>     | <b>30/09/2014</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                       |                   |
| Profit before tax   | 80,558                | 63,481            |
| Adjustments for :   |                       |                   |
| Depreciation and amortisation expenses                          | 14,015                | 12,977            |
| Net interest expense  | 1,276                 | 1,004             |
| Share of results of joint ventures and associates               | (12,060)              | (5,432)           |
| Share options granted under ESOS                                | 3,575                 | 3,525             |
| Other non-cash items  | (9,712)               | 1,886             |
| Operating profit before working capital changes                 | 77,652                | 77,441            |
| Changes in working capital :                                    |                       |                   |
| Net change in inventories and receivables                       | 48,067                | (15,989)          |
| Net change in payables  | 85,084                | (111,986)         |
| <b>Cash from/(used in) operations</b>                           | <b>210,803</b>        | <b>(50,534)</b>   |
| Dividend and interest received                                  | 1,337                 | -                 |
| Tax paid  | (37,477)              | (12,537)          |
| Tax refund  | 524                   | -                 |
| <b>Net cash from/(used in) operating activities</b>             | <b>175,187</b>        | <b>(63,071)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                       |                   |
| Acquisition of additional shares from non-controlling interests | (1,134)               | -                 |
| Additions of intangible assets                                  | (7,678)               | (39,253)          |
| Development of tank terminals                                   | (3,769)               | (11,026)          |
| Investments in joint ventures and associates                    | (119,756)             | (13,208)          |
| Net change in deposits with licensed banks                      | 200                   | (66)              |
| Net cash on disposal of a subsidiary                            | 7,048                 | -                 |
| Proceeds from disposal of property, plant and equipment         | 777                   | 523               |
| Purchase of property, plant and equipment                       | (12,021)              | (8,582)           |
| <b>Net cash used in investing activities</b>                    | <b>(136,333)</b>      | <b>(71,612)</b>   |

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (CONT'D)**

|  | <b>3 MONTHS ENDED</b> |                   |
|--|-----------------------|-------------------|
|  | <b>30/09/2015</b>     | <b>30/09/2014</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                       |                   |
| Interest paid  | (3,283)               | (1,671)           |
| Dividend paid to non-controlling interests                       | -                     | (55)              |
| Net repayment of bank borrowings                                 | (82,891)              | (4,127)           |
| Proceeds from issuances of shares                                | 10,772                | 7,327             |
| Share issue expenses   | (1)                   | (422)             |
| <b>Net cash (used in)/from financing activities</b>              | <b>(75,403)</b>       | <b>1,052</b>      |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                 | <b>(36,549)</b>       | <b>(133,631)</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>      |                       |                   |
| As previously reported   | 865,919               | 503,008           |
| Effects of exchange rate changes on cash and cash equivalents    | 24,685                | 3,727             |
|  | <b>890,604</b>        | <b>506,735</b>    |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A17)</b> | <b>854,055</b>        | <b>373,104</b>    |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements.)

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**INTERIM FINANCIAL REPORT**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of preparation**

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the reporting requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”). These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2015.

**A2 Changes in accounting policies**

The audited financial statements of the Group for the year ended 30 June 2015 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) framework issued by MASB. As per requirements under MFRS, the significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 30 June 2015.

**A3 Auditors’ report of preceding annual audited financial statements**

The auditors' report on preceding year's audited financial statements was not subject to any qualification.

**A4 Seasonal or cyclical factors**

The Group's operations are not affected by seasonal or cyclical factors.

**A5 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period ended 30 September 2015.

**A6 Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial year, which have a material effect in the current financial period.



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**INTERIM FINANCIAL REPORT**

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**A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONT'D**

**A7 Debt and equity securities**

During the current financial period, the issued and paid-up share capital was increased from RM508,329,244 to RM509,279,699 by the allotment of 9,504,554 new ordinary shares of RM0.10 each pertaining to the following:

- i. exercise of 1,412,236 share options under the Employees' Share Option Scheme; and
- ii. exercise of 8,092,318 warrants.

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period.

**A8 Dividends paid**

No dividend has been paid by the Company during the current financial period.

**A9 Property, plant and equipment**

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

**A10 Material events subsequent to the end of the interim period**

There were no material events subsequent to the current financial period ended 30 September 2015 and up to the date of this report, which is likely to substantially affect the profits of the Group.

**INTERIM FINANCIAL REPORT**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 - CONT'D**

**A11 Operating segments**

The Group is principally involved in providing integrated technical services to the petroleum and petrochemical industry in Malaysia and other areas of the world. Its operating segments are presented based on the geographical location of its customers. The performance of each segment is measured based on profit before tax as included in the internal management report reviewed by chief operating decision maker.

The Group's operating segments for the financial period ended 30 September 2015 is as follows:

|  | <b>Malaysia</b> | <b>Singapore</b> | <b>Australia &amp;<br/>New Zealand</b> | <b>Middle<br/>East</b> | <b>Other<br/>Asia</b> | <b>Other<br/>Countries</b> | <b>Total</b>     |
|--|-----------------|------------------|--|------------------------|-----------------------|----------------------------|------------------|
|  | <b>RM'000</b>   | <b>RM'000</b>    | <b>RM'000</b>                          | <b>RM'000</b>          | <b>RM'000</b>         | <b>RM'000</b>              | <b>RM'000</b>    |
| <b>Segment profits</b>                                       | 55,671          | 326              | 5,284                                  | 12,105                 | 7,172                 | -                          | 80,558           |
| <i>Included in the measure of<br/>segment profits are:</i>   |                 |                  |  |                        |                       |                            |                  |
| <i>Revenue from external<br/>customers</i>                   | 311,074         | 15,733           | 81,527                                 | 60,724                 | 67,307                | -                          | 536,365          |
| <i>Inter-segment revenue</i>                                 | 1,408           | 8,971            | -                                      | -                      | 281                   | -                          | 10,660           |
| <i>Depreciation and amortisation</i>                         | 7,054           | 1,134            | 2,257                                  | 2,941                  | 629                   | -                          | 14,015           |
| <i>Interest expense</i>                                      | 4,598           | 112              | 425                                    | 677                    | 56                    | -                          | 5,868            |
| <i>Interest income</i>                                       | 4,493           | 83               | 8                                      | -                      | 8                     | -                          | 4,592            |
| <i>Share of results of joint<br/>ventures and associates</i> | 12,040          | (18)             | 38                                     | -                      | -                     | -                          | 12,060           |
| <b>Segment assets</b>  | 2,831,824       | 191,878          | 145,244                                | 320,009                | 295,810               | 1,213                      | 3,785,978        |
| Deferred tax assets  |                 |                  |  |                        |                       |                            | 46,186           |
| <b>Total assets</b>  |                 |                  |  |                        |                       |                            | <u>3,832,164</u> |
| <i>Included in the measure of<br/>segment assets are:</i>    |                 |                  |  |                        |                       |                            |                  |
| <i>Investments in joint ventures<br/>and associates</i>      | 1,098,813       | 3,469            | 5,002                                  | -                      | -                     | -                          | 1,107,284        |
| <i>Additions to non-current assets:</i>                      |                 |                  |  |                        |                       |                            |                  |
| - <i>Property, plant &amp;<br/>equipment</i>                 | 8,507           | 47               | 3,046                                  | 335                    | 86                    | -                          | 12,021           |
| - <i>Intangible assets</i>                                   | 7,619           | -                | 59                                     | -                      | -                     | -                          | 7,678            |
| - <i>Development of tank<br/>terminals</i>                   | 3,769           | -                | -                                      | -                      | -                     | -                          | 3,769            |
| - <i>Joint ventures and<br/>associates</i>                   | 119,756         | -                | -                                      | -                      | -                     | -                          | 119,756          |
| <b>Segment liabilities</b>                                   | 1,233,193       | 74,870           | 71,033                                 | 156,376                | 45,564                | 1,222                      | 1,582,258        |
| Deferred tax liabilities                                     |                 |                  |  |                        |                       |                            | 5,364            |
| <b>Total liabilities</b>                                     |                 |                  |  |                        |                       |                            | <u>1,587,622</u> |

**INTERIM FINANCIAL REPORT**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONT'D**

**A12 Changes in the composition of the Group**

- (i) In July 2015, Dialog Upstream Services Sdn. Bhd. (“DUS SB”), a wholly owned subsidiary, had acquired the remaining 25% equity interest, representing 250,000 ordinary shares of RM1.00 each in Dialog Subsurface Technology Sdn. Bhd. (formerly known as Dialog Ascent Energy Sdn. Bhd.) (“DSTSB”) from Ascent Energy Technology Limited (“AET”) for a total cash consideration of RM1,134,302. Pursuant to that, DUS SB’s equity investment in DSTSB increased from 75% to 100% and DSTSB became a wholly owned subsidiary of DIALOG.
- (ii) In August 2015, Dialog Systems (Asia) Pte. Ltd. (“DSAPL”), a wholly owned subsidiary, had disposed of its 51% owned subsidiary, Anewa Engineering Private Limited (“Anewa”) to NPCC Engineering Private Limited for a total cash consideration of USD2,964,375 (approximately equivalent to RM12,450,000) (“Share Sale”), representing the sale of 2,040,000 equity shares of Rs.10 each. Accordingly, Anewa ceased to be a subsidiary of DIALOG.
- (iii) In September 2015, the equity shareholdings of a wholly owned subsidiary, Dialog Equity (Two) Sdn Bhd (“DEQ-2”), in Pengerang Terminals (Two) Sdn Bhd (“PT-2”) became 25% after the subscription of 7,800,000 ordinary shares of RM1.00 each for cash consideration of RM7,800,000 by State Secretary, Johor (Incorporated) (“SSI”). The equity shareholdings of PT-2 is now 40% held by PRPC Utilities and Facilities Sdn Bhd (“PRPCUF”), 25% respectively held by DEQ-2 and Vopak Terminal Pengerang BV (“VOPAK Pengerang”), and 10% held by SSI.
- (iv) In September 2015, the equity shareholdings of an indirect wholly owned subsidiary, Dialog LNG Sdn Bhd (“DLNG”), in Pengerang LNG (Two) Sdn Bhd (“PLNG-2”) became 25% after the subscription of 2,000,000 ordinary shares of RM1.00 each for cash consideration of RM2,000,000 by State Secretary, Johor (Incorporated) (“SSI”). The equity shareholdings of PLNG-2 is now 65% held by PETRONAS Gas Berhad (“PGB”), 25% held by DLNG and 10% held by SSI.

There were no other changes in the composition of the Group during the current financial period.

**A13 Commitments**

|   | <b>30/09/2015</b> |
|---|-------------------|
|   | <b>RM'000</b>     |
| i) Capital commitments  |                   |
| Capital expenditure in respect of property, plant and equipment : |                   |
| - approved but not contracted for                                 | 3,600             |
| - contracted but not provided for                                 | 1,700             |
|   | <u>5,300</u>      |
| Commitments of the Group in respect of tank terminal business     | <u>984,800</u>    |
| Commitments of the Group in respect of upstream business          | <u>96,800</u>     |
| ii) Operating lease commitments                                   |                   |
| a) The Group as lessee  |                   |
| - not later than one year   | 7,571             |
| - later than one year and not later than five years               | 9,962             |
| - after five years  | 14,171            |
|   | <u>31,704</u>     |
| b) The Group as lessor  |                   |
| - not later than one year   | 293               |
| - later than one year and not later than five years               | 150               |
|   | <u>443</u>        |

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**A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONT'D**

**A14 Changes in contingent liabilities and contingent assets**

The Company provides corporate guarantees up to a total amount of RM479.0 million (as at 30.06.2015: RM511.5 million) to licensed banks for banking facilities granted to certain subsidiaries. Consequently, the Company is contingently liable for the amounts of banking facilities utilised by these subsidiaries totalling RM350.0 million (as at 30.06.2015: RM411.5 million).

The Company has also given corporate guarantees amounting to RM0.2 million (as at 30.06.2015: RM1.2 million) to a third party for supply of goods and warehouse licenses for certain subsidiaries. Consequently, the Company is contingently liable for the amount owing by these subsidiaries to the third party totalling RM0.2 million (as at 30.06.2015: RM1.2 million).

In addition, the Company also provides a sponsor's undertaking to financial institutions for the provision of cash flow deficiency support of SGD199.5 million, equivalents to RM616.4 million (as at 30.06.2015: SGD261.6 million, equivalent to RM732.4 million) for project financing secured by a joint venture.

**A15 Significant related party transactions**

Significant related party transactions which were entered into on agreed terms and prices for the current financial period 30 September 2015 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2015 and the approved shareholders' mandate in the circular dated 28 October 2014 for recurrent related party transactions.

|   | <b>3 MONTHS<br/>ENDED<br/>30/09/2015<br/>RM'000</b> |
|---|---|
| Transactions with joint ventures:   |   |
| Interest income   | 670   |
| Subcontract works received  | 65,816  |
| Purchases and cost of services rendered   | (929)   |
| Tank rental and related expenses  | (701)   |
| Transactions with related parties in relation to approved shareholders' mandate for recurrent related party transactions: |   |
| Provision of IT and related services  | 1,003   |
| Rental of office premises   | 166   |

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**A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONT'D****A16 Trade and other receivables**

|  | <b>30/09/2015</b> |
|--|-------------------|
|  | <b>RM'000</b>     |
| Amounts due from customers for contract works          | 315,971           |
| Trade receivables                                      | 344,991           |
| Other receivables, deposits and prepayments            | 181,246           |
| Amounts due from joint ventures and associates (trade) | 63,633            |
| Hedge derivative assets                                | 7,496             |
|  | <u>913,337</u>    |

The Group has subsequently collected a total of RM169 million 49% from the outstanding trade receivables as at the date of this report.

**A17 Cash and cash equivalents**

|                                    | <b>30/09/2015</b> |
|------------------------------------|-------------------|
|                                    | <b>RM'000</b>     |
| Deposits, cash and bank balances   | 854,138           |
| Deposits pledged to licensed banks | (83)              |
|                                    | <u>854,055</u>    |

**A18 Trade and other payables**

|  | <b>30/09/2015</b> |
|--|-------------------|
|  | <b>RM'000</b>     |
| Amounts due to customers for contract works  | 69,608            |
| Trade payables                               | 567,418           |
| Accruals and other payables                  | 125,359           |
| Amounts due to joint ventures and associates | 1,781             |
| Hedge derivative liabilities                 | 894               |
|  | <u>765,060</u>    |

**A19 Employees' Share Option Scheme ("ESOS")**

The Company has implemented an ESOS scheme to attract and retain qualified and experienced employees. The scheme was approved by the shareholders at an Extraordinary General Meeting held on 25 July 2007 and shall be in force for a period of ten years until 29 July 2017.

In compliance with Malaysian Financial Reporting Standard, MFRS 2 on Share-based payment, a total ESOS cost for share options amounted to RM3,575,000 was charged to statement of profit or loss for the current financial period (Q1FY2015: RM3,525,000).

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**INTERIM FINANCIAL REPORT**

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**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA****B1 Performance analysis**

The Group closed its 1<sup>st</sup> quarter period ended 30 September 2015 with revenue of RM536.4 million and net profit after tax of RM62.5 million. This represents a slight 1.0% drop in revenue against corresponding quarter last year while net profit after tax increased by 20%.

Revenue from Malaysia operation for the current financial quarter was higher mainly contributed by the engineering and construction activities from on-going projects. The works on Phase 2 of the Pengerang Deepwater Terminal are progressing as schedule. In addition, the Group was also involved in various projects such as the MLNG Train 9 and SAMUR piping works. However, the higher revenue recorded from these activities was offset by lower sales in specialist products and services and upstream activities. This had resulted to a drop in net profit after tax contribution from Malaysia operation for the current financial quarter against same period last year.

On the International operation, revenue for the current financial quarter was lower against same period last year. Despite the lower revenue, international operation recorded a higher net profit after tax for the current financial quarter. This was mainly attributable to higher fabrication activities in New Zealand and better margins on sales of specialist products and services which are mostly denominated in US dollar.

The Group's share of joint ventures and associates results for the current financial quarter of RM12.1 million was more than double compared to RM5.4 million recorded in same period last year. This was due to the contribution from Pengerang Independent Terminal which has commenced its full operation and has fully leased out its storage capacity.

**B2 Variation of results against preceding quarter**

The Group's profit before tax for the current financial quarter of RM80.6 million was 10.3% lower against RM89.8 million recorded in the preceding quarter. This was attributable to the slower upstream activities and lower sales of specialist products and services.

**B3 Prospects**

As a leading integrated technical services provider to the upstream, midstream and downstream sectors in the oil, gas and petrochemical industry, the Group continues to proactively enhance and rationalize its human capital development to support the anticipated growth of its business activities. The Group is confident that its business model is well structured and can withstand the current oil price volatility and currency movements.

The drop in oil prices will lower the overall costs of processing, manufacturing and production of a wide range of petroleum and petrochemical products. This would have a positive impact on the midstream and downstream sectors of the oil and gas industry. The current oil price development reinforces the Group's strategy to develop and invest in the Pengerang Deepwater Terminal for the long term.

The demand for storage facilities is strong for crude oil and products. Further development of the Pengerang Deepwater Terminal will provide more opportunities for the Group's engineering, procurement, construction, commissioning and fabrication services. The Group will continue to benefit from long term recurring rental income derived from additional tank terminal facilities when they go into operations.

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**INTERIM FINANCIAL REPORT**

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**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D****B3 Prospects – cont'd.**

Phase 1 of the Pengerang Deepwater Terminal is in full operation with 1.3 million m<sup>3</sup> fully leased out. To date, more than 300 vessels including supertankers (“VLCC”) have used the terminal for loading and unloading purposes.

The Group has commenced EPCC works on Phase 2, which is the development, construction and operation of the facilities required for the handling, storage and distribution of crude oil, petroleum, chemical and petrochemical feedstock, products and by-products to and from the Refinery and Petrochemical Integrated Development (“RAPID”) complex. This will keep the Group’s Engineering & Construction Division and Fabrication Division busy over the next few years. Phase 2 will have 2.1 million m<sup>3</sup> of storage capacity with a total investment cost of RM6.3 billion and is scheduled to be completed progressively in 2018 and 2019.

The Group has also embarked on the joint venture with PETRONAS Gas Berhad for the development of Liquefied Natural Gas (“LNG”) regasification facilities comprising a regasification unit and two (2) units of 200,000 m<sup>3</sup> LNG storage tanks with an initial send out capacity of 3.5 million tonnes per annum for a total investment cost of RM2.7 billion. This project is scheduled to be completed at the end of 2017.

The Group is now working towards securing new potential partners for subsequent phases of the Pengerang Deepwater Terminal, which include the development of more petroleum, petrochemical and LNG storage facilities.

The Group has recently secured the first fabrication job to be fabricated at the newly completed Dialog Fabricators Pengerang Facility (“DFPF”) and is now targeting for more jobs, which will surface throughout the duration of construction of the RAPID project next door.

In the upstream sector, the recent infill drilling campaign and production enhancement initiatives had resulted in an increased oil production from the Bayan field. Efforts are ongoing to identify and mature new oil opportunities planned to be implemented in 2017/2018. The Group is also participating in field development studies for D35, J4 and D21 fields to further nurture new oil opportunities. In addition, the drilling campaign for D35 is underway.

Barring unforeseen circumstances, the Group is optimistic that it will continue to deliver a healthy performance for the financial year ending 30 June 2016.

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**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D**
**B4 Profit forecast and profit guarantee**

The Group did not announce any profit forecast nor profit guarantee for the current financial period.

**B5 Taxation**

|   | INDIVIDUAL<br>PERIOD                      | CUMULATIVE<br>PERIOD                      |
|---|---|---|
|   | 3 MONTHS<br>ENDED<br>30/09/2015<br>RM'000 | 3 MONTHS<br>ENDED<br>30/09/2015<br>RM'000 |
| Current tax   | 13,937                                    | 13,937                                    |
| Deferred tax  | 4,480                                     | 4,480                                     |
| Under/(Over) provision in prior year  | (405)                                     | (405)                                     |
| Total tax expense   | <u>18,012</u>                             | <u>18,012</u>                             |
| Effective tax rate on profit before tax excluding share of results of joint ventures and associates | <u>26.3%</u>                              | <u>26.3%</u>                              |

**B6 Status of corporate proposals**
**(i) Memorandum of Understanding with Concord Energy Pte. Ltd. ("Concord Energy")**

Dialog Pengerang Sdn Bhd ("DPSB"), a wholly owned subsidiary of the Company, had on 21 November 2013 entered into a Memorandum of Understanding ("MOU") with Concord Energy Pte. Ltd. ("Concord Energy") to carry out a feasibility study for the proposed development of a dedicated crude oil and petroleum product storage terminal at Pengerang, State of Johor. Concord Energy is one of the leading crude oil and refined products trading company in Singapore and South East Asia.

The proposed development under the MOU is a new phase of the Pengerang Deepwater Petroleum Terminal ("Pengerang Deepwater Terminal") project at Pengerang, State of Johor where the Company has been granted the land rights and development rights under a Development Cum Joint Venture Agreement.

The Company and Concord Energy are still currently in discussion as to the form and structure of the joint venture to be established and the services and facilities which are expected to be provided or received by the respective parties. The MOU will expire on 20 May 2016.

There is no other corporate proposal announced but not completed as at date of this report.



## INTERIM FINANCIAL REPORT

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D****B7 Borrowings and debt securities**

As at 30 September 2015, the Group's borrowings were denominated in the following currencies:

|                        | FC'000 | RM'000         |
|------------------------|--------|----------------|
| Short term borrowings: |        |                |
| Secured:               |        |                |
| New Zealand Dollars    | 297    | 835            |
| Ringgit Malaysia       | -      | 20,024         |
| Singapore Dollars      | 28     | 88             |
| Unsecured:             |        |                |
| New Zealand Dollars    | 3,501  | 9,845          |
| Saudi Riyal            | 10,000 | 11,701         |
| Sterling Pounds        | 313    | 2,090          |
| Thai Baht              | 14,000 | 1,695          |
|                        |        | <u>46,278</u>  |
| Long term borrowings:  |        |                |
| Secured:               |        |                |
| Ringgit Malaysia       | -      | 88,777         |
| Unsecured:             |        |                |
| New Zealand Dollars    | 4,706  | 13,232         |
| Ringgit Malaysia       | -      | 540,000        |
| Saudi Riyal            | 85,000 | 99,458         |
| Thai Baht              | 14,000 | 1,695          |
|                        |        | <u>743,162</u> |
|                        |        | <u>789,440</u> |

The borrowings of the Group are mainly to part finance its investment in tank terminals, logistic business and trade financing in respect of specialist products and services. Included in the borrowings for the current financial period is RM451.2 million (30.06.2015: RM295.8 million) of Islamic financing facility.

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**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D****B8 Material litigation**

As at the date of this announcement, there was no material litigation since the last audited annual statement of financial position except for the following:-

a) Notice of Arbitration between Tanjung Langsat Port Sdn Bhd (“TLP”) and Dialog E & C Sdn Bhd (“DECSB”)

DECSB, a wholly owned subsidiary of the Company had on 9 April 2014, received a Notice of Arbitration dated 7 April 2014 from TLP for arbitral proceedings pursuant to the provisions of the Engineering, Procurement, Construction and Commissioning Contract dated 18 October 2006 (“EPCC Contract”) and a Settlement Agreement dated 13 May 2011. The arbitration has been referred to the Kuala Lumpur Regional Centre for Arbitration.

TLP and DECSB entered into the EPCC Contract for the engineering, procurement, construction and commissioning of a 100,000 cubic metres oil terminal project (“Facility”) at Tanjung Langsat Port, Johor, Malaysia for a contract price of RM89.5 million. The terminal commenced operations after DECSB had completed the project and in accordance with the agreed scope of the contract, which also saw handover of the completed project to TLP. However, there was an unfortunate fire incident that took place at the terminal on 17 August 2008 leading to TLP’s Notice of Arbitration.

TLP is claiming that the fire incident was caused by DECSB’s breaches of its obligations under the EPCC Contract and alleging that it is entitled to the following sums:

1. RM22,431,934.40 for repair and reconstruction costs of the Facility incurred by TLP;
2. RM2,291,596.71 for repair and reconstruction costs of the Facility payable by TLP;
3. All costs and expenses to be incurred by TLP in remedying and rectifying the defective design and/or construction of the Facility, which is currently estimated at RM8,000,000.00;
4. RM76,744,788.54 for loss of profits had the Facility been approved by Platts or alternatively, RM62,144,788.54 for loss of profits if the Facility remained unapproved by Platts;
5. An indemnity against all of TLP’s liability towards TLP’s dedicated user, which includes but is not limited to: (i) USD20,747,275.20 for value of the loss of product stored in the Facility; (ii) USD2,108,497.00 for additional costs, fees and expenses incurred; and (iii) USD118,374,250.00 for the dedicated user’s loss of use of the Facility;
6. Interest on the sums referred to above until full settlement;
7. Costs; and
8. Such other reliefs as the tribunal deems fit.

The matter is pending arbitration process and hearing of the matter has been set for August 2016. The Company is of the opinion that the arbitration proceeding is not expected to have any impact on the operational and financial position of the Group for the financial year ending 30 June 2016.

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**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D****B8 Material litigation – cont'd.**b) Commencement of Arbitration Proceedings against Tanjung Langsat Port Sdn Bhd (“TLP”)

Centralised Terminals Sdn Bhd (“CTSB”) through its 80% owned subsidiary Langsat Terminal (One) Sdn Bhd (“LgT-1”) had, on 8 October 2014, commenced arbitration proceedings against TLP.

CTSB is 55% owned by the Company and 45% owned by MISC Berhad, which is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. LgT-1, the claimant, is the owner and operator of the 476,000 m<sup>3</sup> tank terminal facility for the handling, storage and processing of petroleum and petroleum-related products located at Tanjung Langsat, Johor, Malaysia.

TLP, the respondent, is a wholly owned subsidiary of Johor Corporation Berhad and has been granted licence by the Johor Port Authority to carry on the business of operating and managing a port as well as providing port and jetty facilities at the Port of Tanjung Langsat in the State of Johor Darul Takzim.

The arbitration proceedings are pursuant to the provisions of the Concession Agreement dated 12 April 2007 and Deed of Novation dated 21 June 2007. The commencement of the arbitration proceedings against TLP, is in relation to the recovery of losses and damages suffered by LgT-1. LgT-1 is claiming for TLP’s breaches of its obligations to provide a minimum draft of 16.5 meters at the approach channel in order that the partially laden Very Large Crude Carriers would be able to access and berth at the port. LgT-1’s losses and damages are to be assessed. The arbitration has been referred to the Kuala Lumpur Regional Centre for Arbitration.

The matter is pending arbitration process and hearing of the matter is currently expected to be in December 2016. The Company is of the opinion that the arbitration proceeding is in the best interest to preserve LgT-1’s rights to commence arbitration under the provisions of the Concession Agreement dated 12 April 2007.

The Company is also of the opinion that the arbitration proceeding is not expected to have any impact on the operational and financial position of Group for the financial year ending 30 June 2016.

**B9 Dividends**

The Board had recommended a final cash dividend of 1.2 sen (previous corresponding year: 1.1 sen) per ordinary share of RM0.10 each in respect of the previous financial year for approval of the shareholders at the forthcoming Annual General Meeting.

Subject to the approval, the entitlement of the final dividend will be determined based on the shareholders registered in the record of depositors as at 27 November 2015 and the date of payment will be on 17 December 2015.

## INTERIM FINANCIAL REPORT

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D****B10 Derivative financial instruments**

As at 30 September 2015, the Group has the following outstanding forward foreign exchange

|                                 | Contract Value |        | Fair value –<br>net gains or<br>(losses) |
|---------------------------------|----------------|--------|--|
|                                 | FC'000         | RM'000 | RM'000                                   |
| With maturity less than 1 year: |                |        |  |
| Australian Dollar               | 318            | 943    | 39                                       |
| Euro                            | 629            | 2,711  | 389                                      |
| New Zealand Dollar              | 100            | 258    | 20                                       |
| Singapore Dollar                | 836            | 2,342  | 283                                      |
| Japanese Yen                    | 31,350         | 1,121  | (5)                                      |
| United States Dollar            | 13,961         | 55,902 | 6,143                                    |

These forward contracts are to hedge the foreign currency risk associated with trade receivables, trade payables and advances to foreign subsidiary companies.

There is no significant change to the financial derivatives in respect of the following since the last financial year ended 30 June 2015:

- the credit risk, market risk, and liquidity risk associated with these financial derivatives;
- the cash requirement of the financial derivatives; and
- the policy in place for mitigating or controlling the risk associated with these financial derivatives.

The basis of fair value measurement is the difference between the contracted rates and the market forward rates. This resulted the Group recorded a gain when the rates moved favourable against the Group or recorded a loss when the rates moved unfavourable against the Group.

The Group has also entered into interest rate swaps contract to swap notional principals amount of RM106,594,000 from floating interest rate to fixed rate to hedge against interest rate fluctuations, which expires on June 2018.

**B11 Investments in joint ventures and associates**

Included in the investments in joint ventures and associates was unsecured advances amounted to RM58.5 million given to a joint venture. The advances bear interest at rates ranging from 4.50% to 4.86% per annum and are not repayable within the next twelve months. The advances together with the interest receivable thereon amounted to RM63.1 million as at 30 September 2015.

The Company also provided sponsor's undertaking to a joint venture as disclosed in A14.

## INTERIM FINANCIAL REPORT

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D****B12 Retained Profits**

The breakdown of retained profits of the Group as at date of statement of financial position, into realised and unrealised is as follow:

|  | <b>As at<br/>30/09/2015<br/>RM'000</b> | <b>As at<br/>30/06/2015<br/>RM'000</b> |
|--|--|--|
| Total retained profits of the Company & its subsidiaries   |  |  |
| - Realised   | 1,103,733                              | 1,036,828                              |
| - Unrealised   | 23,370                                 | 25,917                                 |
|  | <u>1,127,103</u>                       | <u>1,062,745</u>                       |
| Total share of retained profits from associates            |  |  |
| - Realised   | (1,140)                                | 86                                     |
| - Unrealised   | -                                      | (18)                                   |
| Total share of retained profits from joint ventures        |  |  |
| - Realised   | 91,726                                 | 80,904                                 |
| - Unrealised   | (14,885)                               | (16,680)                               |
| <b>Total before consolidation adjustments</b>              |  |  |
| - Realised   | 1,194,319                              | 1,117,818                              |
| - Unrealised   | 8,485                                  | 9,219                                  |
|  | 1,202,804                              | 1,127,037                              |
| Less: Consolidation adjustments                            | <u>(222,983)</u>                       | <u>(207,288)</u>                       |
| <b>Total retained profits as per consolidated accounts</b> | <u><u>979,821</u></u>                  | <u><u>919,749</u></u>                  |

The above consolidation adjustments are mainly on adjustment for issuance of bonus shares in FY2014 and FY2010, non-controlling interests' share of equity and unrealised profits from E&C works provided to joint ventures.

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

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

## INTERIM FINANCIAL REPORT

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONT'D****B13 Earnings per share**

The basic earnings per ordinary share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares after deducting treasury shares.

|  | INDIVIDUAL PERIOD |            | CUMULATIVE PERIOD |            |
|--|-------------------|------------|-------------------|------------|
|  | 3 MONTHS ENDED    |            | 3 MONTHS ENDED    |            |
|  | 30/09/2015        | 30/09/2014 | 30/09/2015        | 30/09/2014 |
| Profit for the financial period attributable to owners of the Company (RM'000) | 60,072            | 49,905     | 60,072            | 49,905     |
| Weighted average number of ordinary shares in issue ('000)                     | 5,084,642         | 4,915,450  | 5,084,642         | 4,915,450  |

Diluted earnings per ordinary share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS and Warrants are exercised at the beginning of the financial period. The ordinary shares to be issued under ESOS and Warrants are based on the assumed proceeds on the difference between average share price for the financial period and exercise price.

|   | INDIVIDUAL PERIOD |            | CUMULATIVE PERIOD |            |
|---|-------------------|------------|-------------------|------------|
|   | 3 MONTHS ENDED    |            | 3 MONTHS ENDED    |            |
|   | 30/09/2015        | 30/09/2014 | 30/09/2015        | 30/09/2014 |
| Profit for the financial period attributable to owners of the Company (RM'000)                      | 60,072            | 49,905     | 60,072            | 49,905     |
| Weighted average number of ordinary shares in issue ('000)  | 5,084,642         | 4,915,450  | 5,084,642         | 4,915,450  |
| Effect of dilution due to:  |                   |            |                   |            |
| - Warrants ('000)   | 62,604            | 131,707    | 62,604            | 131,707    |
| - ESOS ('000)   | 50,915            | 72,258     | 50,915            | 72,258     |
| Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000) | 5,198,161         | 5,119,415  | 5,198,161         | 5,119,415  |

## INTERIM FINANCIAL REPORT

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA – CONT'D****B14 Profit for the period**

|  | <b>INDIVIDUAL<br/>PERIOD<br/>3 MONTHS<br/>ENDED<br/>30/09/2015<br/>RM'000</b> | <b>CUMULATIVE<br/>PERIOD<br/>3 MONTHS<br/>ENDED<br/>30/09/2015<br/>RM'000</b> |
|--|---|---|
| This is arrived at after (charging)/crediting: |   |   |
| Interest income                                | 4,592   | 4,592   |
| Interest expense                               | (5,868)   | (5,868)   |
| Depreciation and amortisation                  | (14,015)  | (14,015)  |
| Foreign exchange gain                          | 9,801   | 9,801   |
| Gain on forward exchange contract              | 29  | 29  |
| Gain on disposal of subsidiary                 | 1,949   | 1,949   |
| Gain on disposal of plant and equipment        | 158   | 158   |
| Property, plant and equipment written off      | (32)  | (32)  |
| Rental income                                  | 904   | 904   |
| Other miscellaneous income                     | 706   | 706   |

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia are not applicable.

Date: 17 November 2015