

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2015**

<u>Table of Contents</u>	Page
Unaudited Condensed Interim Consolidated Statements of Comprehensive Income	1
Unaudited Condensed Interim Consolidated Statements of Financial Position	2
Unaudited Condensed Interim Consolidated Statements of Changes in Equity	3
Unaudited Condensed Interim Consolidated Statements of Cash Flows	4 - 5
Part A: Explanatory Notes Pursuant to MFRS 134	6 - 18
Part B: Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing requirements of Bursa Malaysia Securities Berhad	19 - 40

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2015**

RM'000	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	QUARTER ENDED	QUARTER ENDED	YEAR-TO-DATE ENDED	YEAR-TO-DATE ENDED
	31/12/2015 Unaudited	31/12/2014 Unaudited	31/12/2015 Unaudited	31/12/2014 Audited
Continuing operations				
Revenue	202,824	205,797	649,398	657,273
Cost of sales	(158,992)	(165,102)	(500,222)	(499,304)
Gross profit	43,832	40,695	149,176	157,969
Other operating income	528	515	2,192	1,974
Selling and distribution costs	(10,225)	(12,456)	(31,685)	(33,668)
Administrative expenses	(11,904)	(8,911)	(49,664)	(45,755)
Other operating (losses) / gains	(1,309)	43	2,148	1,721
Operating profit	20,922	19,886	72,167	82,241
Finance costs	(1,639)	(1,577)	(7,433)	(3,975)
Share of results of a joint venture (net of tax)	(13)	0	775	0
Share of results of associates (net of tax)	(340)	3,148	5,642	13,727
Profit before tax	18,930	21,457	71,151	91,993
Income tax expense	(5,599)	(3,821)	(16,653)	(21,359)
Profit from continuing operations	13,331	17,636	54,498	70,634
Discontinued operation				
Profit from discontinued operation (net of tax) (B14)	0	579	1,041	17
Profit for the period / year	13,331	18,215	55,539	70,651
Other comprehensive income				
Currency translation differences	(360)	475	1,111	301
Share based payment	0	(43)	0	(43)
Total comprehensive income for the period / year	12,971	18,647	56,650	70,909
Profit attributable to:				
- Equity holders of the Company	11,036	16,798	45,408	59,324
- Non-controlling interests	2,295	1,417	10,131	11,327
	13,331	18,215	55,539	70,651
Total comprehensive income attributable to:				
- Equity holders of the Company	10,883	16,943	45,722	59,373
- Non-controlling interests	2,088	1,704	10,928	11,536
	12,971	18,647	56,650	70,909
Earnings per share (EPS) attributable to equity holders of the Company (sen)				
- Basic EPS				
- From continuing operations	2.76	4.06	11.09	14.83
- From discontinued operation	0.00	0.14	0.26	0.00
	<u>2.76</u>	<u>4.20</u>	<u>11.35</u>	<u>14.83</u>
- Diluted EPS				
- From continuing operations	2.75	4.04	11.04	14.76
- From discontinued operation	0.00	0.14	0.26	0.00
	<u>2.75</u>	<u>4.18</u>	<u>11.30</u>	<u>14.76</u>

The above unaudited condensed interim consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

RM'000	As at 31/12/2015 Unaudited	As at 31/12/2014 Audited
ASSETS		
Property, plant and equipment	226,786	229,723
Investment properties	865	888
Intangible assets	3,091	3,235
Associates	44,750	40,645
Joint venture	27,022	0
Deferred tax assets	6,306	2,839
Non-current Assets	308,820	277,330
Inventories	20,440	28,302
Amounts due from associates	1,616	4,335
Amount due from a joint venture	177	0
Trade receivables	175,467	226,667
Deferred cost	9,226	8,393
Other receivables, deposits and prepayments	18,651	17,693
Tax recoverable	3,657	4,410
Restricted cash	10,882	723
Cash and cash equivalents	123,830	75,016
	363,946	365,539
Assets classified as held for sale	0	27,266
Current Assets	363,946	392,805
TOTAL ASSETS	672,766	670,135
EQUITY AND LIABILITIES		
Share capital	200,000	200,000
Equity - share based payment	206	0
Retained earnings	145,255	127,843
Merger deficit	(50,000)	(50,000)
Foreign currency translation	(2,736)	(3,050)
Equity attributable to equity holders of the Company	292,725	274,793
Non-controlling interests	26,262	30,129
Total Equity	318,987	304,922
Borrowings	79,960	104,587
Deferred tax liabilities	18,662	15,888
Non-current Liabilities	98,622	120,475
Trade payables	144,471	135,441
Deferred revenue	8,883	8,245
Other payables and accruals	33,272	46,937
Amounts due to associates	7,517	0
Amount due to a joint venture	299	0
Dividend payable	343	530
Taxation	2,946	816
Borrowings	57,426	50,784
	255,157	242,753
Liabilities classified as held for sale	0	1,985
Current Liabilities	255,157	244,738
Total Liabilities	353,779	365,213
TOTAL EQUITY AND LIABILITIES	672,766	670,135

The above unaudited condensed interim consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2015

	←----- Attributable to equity holders of the Company ----->						Non-controlling interests	Total equity	
	Issued and fully paid ordinary shares of RM0.50 each / RM1.00 each		-----Non-distributable-----		Distributable				
	Number of shares '000	Nominal value RM'000	Share based payment RM'000	Foreign currency translation RM'000	Merger deficit RM'000	Retained earnings RM'000			Total RM'000
At 1 January 2014	150,000	150,000	43	(3,142)	(50,000)	145,019	241,920	29,326	271,246
Profit for the financial year	0	0	0	0	0	59,324	59,324	11,327	70,651
Other comprehensive income for the year	0	0	(43)	92	0	0	49	209	258
Total comprehensive income for the year	0	0	(43)	92	0	59,324	59,373	11,536	70,909
Share based payment	0	0	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	(26,500)	(26,500)	(10,733)	(37,233)
Bonus issue	50,000	50,000	0	0	0	(50,000)	0	0	0
Share split	200,000	0	0	0	0	0	0	0	0
At 31 December 2014	<u>400,000</u>	<u>200,000</u>	<u>0</u>	<u>(3,050)</u>	<u>(50,000)</u>	<u>127,843</u>	<u>274,793</u>	<u>30,129</u>	<u>304,922</u>
At 1 January 2015	400,000	200,000	0	(3,050)	(50,000)	127,843	274,793	30,129	304,922
Profit for the financial year	0	0	0	0	0	45,408	45,408	10,131	55,539
Other comprehensive income for the year	0	0	0	314	0	0	314	797	1,111
Total comprehensive income for the year	0	0	0	314	0	45,408	45,722	10,928	56,650
Share based payment	0	0	206	0	0	0	206	0	206
Dividend	0	0	0	0	0	(28,000)	(28,000)	(11,622)	(39,622)
Change in ownership interest in a subsidiary (B15)	0	0	0	0	0	4	4	(3,173)	(3,169)
At 31 December 2015	<u>400,000</u>	<u>200,000</u>	<u>206</u>	<u>(2,736)</u>	<u>(50,000)</u>	<u>145,255</u>	<u>292,725</u>	<u>26,262</u>	<u>318,987</u>

The above unaudited condensed interim consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2015

RM'000	YEAR-TO-DATE ENDED	
	31/12/2015	31/12/2014
	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	55,539	70,651
<u>Adjustments for:</u>		
Impairment for doubtful debts:		
Trade receivables		
- impairment made	636	929
- write back of impairment	(301)	(497)
Other receivables		
- write back of impairment	(1,500)	0
Allowance for slow moving inventories:		
- allowance made	220	147
- write back of allowance	(49)	(92)
Amortisation of intangible assets	904	691
Financial guarantee receivables	(16)	0
Amortisation cost on financial liabilities	0	8
Depreciation:		
- property, plant and equipment	28,880	21,152
- investment properties	23	24
Bad debts written off:		
- trade receivables	114	0
- other receivables	102	0
Provision for liquidated damages		
- provision made	2	152
Gain on disposals of property, plant and equipment	(162)	(17)
Write-off:		
- property, plant and equipment	243	55
- inventories	0	18
Interest income	(1,164)	(1,157)
Finance cost	7,461	4,113
Share based payment expense	206	0
Reversal of share based payment expense	0	(43)
Share of results of associates	(5,642)	(13,727)
Share of results of a joint venture	(775)	0
Tax expense	16,631	21,378
Unrealised foreign exchange gains	(5,560)	(3,121)
Gain from sale of discontinued operation	(1,127)	0
Operating profit before working capital changes	94,665	100,664
<u>Changes in working capital</u>		
Inventories	7,691	(7,737)
Amount due from a joint venture	(145)	0
Trade receivables	54,002	(35,251)
Deferred costs	(833)	5,436
Other receivables, deposits and prepayments	(502)	(4,156)
Trade payables	8,284	(15,980)
Other payables and accruals	(14,086)	22,311
Deferred revenue	638	(11,791)
Cash generated from operations	149,714	53,496
Tax paid	(15,443)	(20,325)
Tax refunded	965	4,490
Interest paid	(7,375)	(4,113)
Net cash generated from operating activities	127,861	33,548

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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2015 (CONTINUED)

RM'000	YEAR-TO-DATE ENDED	
	31/12/2015	31/12/2014
	Unaudited	Audited
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,154	1,157
Property, plant and equipment		
- Purchases	(26,295)	(131,595)
- Proceeds from disposals	496	18
Purchases of intangible assets	(758)	(1,108)
- Deposits paid		
Dividend received from associates	5,528	14,555
Amount due from associates	(13)	3
Amount due from a joint venture	(290)	0
Amount due to associates	7,517	0
Amount due to a joint venture	394	0
Net cash used in investing activities	(12,267)	(116,970)
CASH FLOWS FROM FINANCING ACTIVITIES		
Revolving credit		
- Drawn down	7,500	16,500
- Repayment	(7,000)	0
Term loan		
- Drawn down	0	113,004
- Repayment	(18,600)	(2,091)
Loans against import		
- Drawn down	6,596	0
- Repayment	(6,596)	0
Repayment of hire purchase under finance lease	(34)	(33)
Acquisition of non-controlling interest (B15)	(3,169)	0
Dividends paid to:		
- Shareholders	(27,959)	(26,500)
- Non-controlling interest	(11,849)	(10,723)
Increase in restricted cash	(10,159)	(197)
Net cash (used in) / generated from financing activities	(71,270)	89,960
Net increase in cash and cash equivalents	44,324	6,538
Foreign currency translation	4,667	982
Disposal of discontinued operation (B14)	(5,878)	0
Cash and cash equivalents at beginning of the year	80,717	73,197
Cash and cash equivalents at end of year	123,830	80,717
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits	96,910	54,099
Cash and bank balances	37,802	21,640
	134,712	75,739
Restricted cash	(10,882)	(723)
Cash and cash equivalents at end of year from continuing operations	123,830	75,016
Cash and cash equivalents at end of year from discontinued operations	0	5,701
Cash and cash equivalents at end of year	123,830	80,717

The above consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.