

PeraKTransit

KEPUASAN ANDA, KEUTAMAAN KAMI
YOUR SATISFACTION, OUR PRIORITY

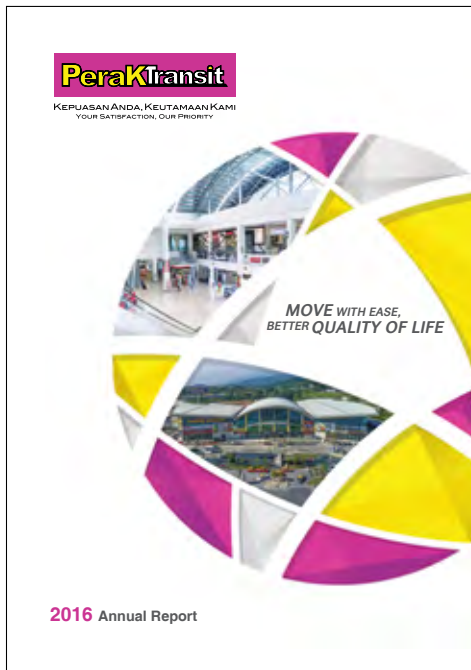


MOVE WITH EASE,
BETTER **QUALITY OF LIFE**

2016 Annual Report



MOVE
WITH EASE,
BETTER QUALITY
OF LIFE



Move with Ease, Better Quality of Life

With its recent IPO in the early October of 2016, the Perak Transit group has been involved in the operations of integrated public transportation terminal, provision of public bus services and operating petrol stations. As a team, the Perak Transit group shows a strong determination to further expand its business to a brighter future with a stable and firm foundation. As a transport service provider, the company strives to uplift the quality of life for its customers. Together as one, the employees in the company work towards the Perak Transit group's goals for progression and endeavour to bring a better quality of life to people.

Our Mission

To be a leading developer and operator of integrated terminal complex and transportation services provider in Malaysia and to focus our future in expanding the integrated transportation terminal to other parts of Perak and other states in Malaysia.

Our Vision

To offer wide and comprehensive bus operations, terminal activities and services to enable public users and commuters to interconnect efficiently and seamlessly within a dedicated transportation hub and to upgrade the public transport system.

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Board of Directors

Tan Sri Dato' Chang Ko Youn

(Independent Non-Executive Chairman)

Dato' Sri Cheong Kong Fitt

(Managing Director)

Dato' Cheong Peak Sooi

(Executive Director)

Dato' Wan Asmadi Bin Wan Ahmad

(Non-Independent Non-Executive Director)

Mohd Annas Bin Md Isa

(Non-Independent Non-Executive Director)

Ng Wai Luen

(Independent Non-Executive Director)

Audit Committee

Ng Wai Luen (*Chairman*)

Tan Sri Dato' Chang Ko Youn

Dato' Wan Asmadi Bin Wan Ahmad

Remuneration Committee

Dato' Wan Asmadi Bin Wan Ahmad (*Chairman*)

Mohd Annas Bin Md Isa

Dato' Cheong Peak Sooi

Nomination Committee

Tan Sri Dato' Chang Ko Youn (*Chairman*)

Mohd Annas Bin Md Isa

Ng Wai Luen

Company Secretary

Cheai Weng Hoong (LS05624)

Registered Office

D-3-7 Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh, Perak
Tel : (+605) 253 0760
Fax : (+605) 241 6761

Corporate Office

No. 19, Lebuhr Bercham Selatan
Taman Cahaya Tasek
31400 Ipoh, Perak
Tel : (+605) 545 5318 / 545 9218
Fax : (+605) 545 5310
Website: www.peraktransit.com.my
E-mail address: enquiry@peraktransit.com.my

Share Registrar

Tricor Investor & Issuing House
Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : (+603) 2783 9299
Fax : (+603) 2783 9222

Auditors

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)
Level 2, Weil Hotel
292, Jalan Sultan Idris Shah
30000 Ipoh, Perak
Tel : (+605) 254 0288
Fax : (+605) 254 7288

Admission Sponsor

TA Securities Holdings Berhad (14948-M)
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel : (+603) 2072 1277
Fax : (+603) 2161 2693

Principal Bankers

Bank Islam Malaysia Berhad (98127-X)
Bank Muamalat Malaysia Berhad (6175-W)

Stock Exchange Listing

ACE Market of Bursa Malaysia Securities Berhad
Stock Code : 0186
Stock Name : PTRANS



PeraKTransit

Perak Transit Berhad (831878-V)

100%

CKS Labur Sdn.
Bhd.

100%

Ipoh Link Sdn.
Bhd.

100%

Syarikat Sumber
Manusia Sdn.
Bhd.

100%

Terminal Urus
Sdn. Bhd.

95.71%

Star Kensington
Sdn. Bhd.

69.99%

CKS Bumi Sdn.
Bhd.

99.89%

The Combined
Bus Services
Sdn. Bhd.



PROFILE OF DIRECTORS



Tan Sri Dato' Chang Ko Youn

Independent Non-Executive Chairman

Tan Sri Dato' Chang Ko Youn, Malaysian, male, aged 60, was appointed to the Board on 25 August 2015 as an Independent Non-Executive Chairman. He also serves as the Chairman of the Nomination Committee and is a member of the Audit Committee of the Company. He graduated with a Bachelor of Laws (Hons) from the University of Hull, England in 1981. In 1982, he was called to the English Bar as a Barrister-At-Law of Lincoln's Inn, London and was subsequently called to the Malayan Bar in 1983.

Tan Sri Dato' Chang Ko Youn began his career as a lawyer in Ipoh in 1983 until 1995 where he was attached to Chang Ko Youn & Co. In 1987, he was appointed as Councilor of the Kuala Kangsar District Council until 1995. Over the years, he has held numerous political positions in Parti Gerakan including Perak Gerakan Youth Chairman, Perak State Chairman, Chairman of its National Youth, National Deputy President and Acting President. In 1995, he was appointed as a Member of the Perak State Executive Council after winning the Jalong State Seat and held the post until 2008. In 2009, he was appointed as the Advisor of the Chief Minister of Perak State Government until 2013.

Currently, he is Gerakan National Advisor, Perak Gerakan State Advisor and Chairman of Beruas Division.

Since 2014, he has resumed his legal practice at Toh Theam Hock & Co in Ipoh, specialising in banking, commercial and conveyancing matters and appointed as the Chairman of Yayasan Penjaja Dan Peniaga Kecil 1 Malaysia (YPPKM), a body handling micro-credit for petty traders sponsored by the Ministry of Finance.

Tan Sri Dato' Chang Ko Youn does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2016 ("FYE 2016"). He does not hold any directorship in any other public listed companies.

Dato' Sri Cheong Kong Fitt

Managing Director

Dato' Sri Cheong Kong Fitt, Malaysian, male, aged 57, was appointed to the Board on 5 September 2008 and is responsible for the Group's day-to-day management as well as setting the corporate vision and direction, including planning and implementing strategic business plans for the Group. He graduated with a Diploma in Business from the School of Marketing, Ipoh, obtained in 1986 and is currently pursuing a Masters of Art in International Business in York St John University, England. He has approximately 25 years of working experience in the public bus terminal operations.

Dato' Sri Cheong Kong Fitt commenced his career as a supervisor in Choong Sam Tin Mine in 1980. In 1985, he joined Swee Keong Construction Pte Ltd, Singapore as a supervisor. He subsequently left Swee Keong Construction Pte Ltd, Singapore in 1992 and joined The Combined Bus Services (Partnership), operator of Stesen Bas, Jalan Kidd as supervisor where he was principally responsible for managing public bus terminal operations. He eventually left The Combined Bus Services (Partnership) in 2013. During the period from 2006 to 2009, he was instrumental in leading the initiative to merge the bus services operations of The General Omnibus Company (Perak) Sdn Bhd, Ipoh Omnibus Company Sdn Bhd and The Kinta Omnibus Company Sdn Bhd, owing to his knowledge and experience in managing terminal and bus operations.

In 2008, he founded the Company which in 2010 was converted into a public company. Under his management, the Group successfully built and commenced operations of Terminal AmanJaya in 2012.

Dato' Sri Cheong Kong Fitt is the brother of Dato' Cheong Peak Sooi, an Executive Director of the Company. He does not have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. He does not hold any directorship in any other public listed companies.

PROFILE OF DIRECTORS *(cont'd)*



Dato' Cheong Peak Sooi *Executive Director*

Dato' Cheong Peak Sooi, Malaysian, male, aged 50, is an Executive Director of the Group. He was appointed to the Board on 12 August 2010 and resigned on 23 April 2012. He was re-appointed to the Board on 1 October 2012. He is a member of the Remuneration Committee of the Company. He holds a Certificate in Business Management from MDIS Business School, Singapore, obtained in 1988.

Dato' Cheong Peak Sooi commenced his career in 1992 as a site manager for G&C Civil Engineering Pte Ltd in Singapore. In 2000, he left G&C Civil Engineering Pte Ltd and subsequently took a position as a field service representative in Ameron Pte. Ltd., Singapore. During his eight (8) years tenure with Ameron Pte. Ltd., his responsibilities were to liaise with clients and prepare proposals for clients, supervise and monitor the installation of piping, as well as quality check and handover the completed installation work to clients. In 2008, he joined Star Kensington Sdn Bhd as a director where he was responsible for the operation of the company's petrol station operations and subsequently resigned in 2011. In the same year, he was appointed as the director of The Combined Bus Services Sdn Bhd and was responsible to supervise and monitor the construction, and subsequently day-to-day operations of Terminal AmanJaya.

Dato' Cheong Peak Sooi is the brother of Dato' Sri Cheong Kong Fitt, the Managing Director and a shareholder of the Company. He does not have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. He does not hold any directorship in any other public listed companies.

Dato' Wan Asmadi Bin Wan Ahmad *Non-Independent Non-Executive Director*

Dato' Wan Asmadi Bin Wan Ahmad, Malaysian, male, aged 51, was appointed to the Board on 25 August 2015 as a Non-Independent Non-Executive Director, representing the interest of MTD Capital Bhd. He also serves as the Chairman of the Remuneration Committee and is a member of the Audit Committee of the Company. He graduated with a Bachelor degree in Business Administration with a major in Accounting from Temple University, Philadelphia, United States of America in 1989. Subsequently, in 1996, he graduated with a Masters of Business Administration ("MBA") specialising in Finance from the same university.

Dato' Wan Asmadi Bin Wan Ahmad began his career in the area of tax and audit in 1989 before moving on to oil and gas industry in the area of Budget and Management Accounting in 1991. Upon completion of his MBA in 1996, Dato' Wan Asmadi Bin Wan Ahmad shifted his career into investment banking where had obtained hands-on experience in the areas of corporate finance, privatisation/project advisory, equities placement/underwriting, stockbroking and Islamic capital markets. Between 2009 to 2012, Dato' Wan Asmadi Bin Wan Ahmad was working in the Kingdom of Saudi Arabia where he assisted in the successful setting up an investment banking outfit, Anfaal Capital.

Upon returning from the Kingdom of Saudi Arabia, Dato' Wan Asmadi Bin Wan Ahmad co-founded DWA Advisory Sdn Bhd, a boutique financial advisory firm licensed by the Securities Commission Malaysia in 2013 and later DWA Private Equity Sdn Bhd in 2015 which is registered with the Securities Commission Malaysia as a Private Equity Management Corporation. He is also currently a member of the Market Participants Committee of Bursa Malaysia.

Dato' Wan Asmadi Bin Wan Ahmad does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. He does not hold any directorship in any other public listed companies.

PROFILE OF DIRECTORS (cont'd)



Mohd Annas Bin Md Isa

Non-Independent Non-Executive Director

Mohd Annas Bin Md Isa, Malaysian, male, aged 40, was appointed to the Board on 2 April 2015 as a Non-Independent Non-Executive Director, nominated by Bank Muamalat Malaysia Berhad. He is a member of the Nomination Committee and the Remuneration Committee of the Company. He graduated with a Bachelor of Finance (Hons) from Universiti Teknologi MARA, Malaysia, in 2000.

Mohd Annas Bin Md Isa began his career as a dealer representative with OSK Securities Berhad in 2000, where his role involved institutional dealing and dealing in securities for high-net worth individual. In 2004, he left OSK Securities Berhad and joined Aseambanker Malaysia Berhad as a Senior Executive, where his duties involved in equity capital market activity and placement of equity and equity linked product. In 2006, he resigned from Aseambankers Malaysia Berhad and joined Kenanga Investment Bank Berhad, where he was appointed as Acting Head of Equity Capital Market. He was responsible in the setting up of Equity Capital Market department. He left Kenanga Investment Bank Berhad in August 2008 and subsequently took leave up to 2009.

In 2009, he joined AmInvestment Bank Berhad as a Manager in the Equity Capital Market division. He left AmInvestment Bank Berhad in August 2011. Thereafter, he took a break from his career from 2011 to 2013. Subsequently in 2013, he joined Bank Muamalat Malaysia Berhad as the Head of Equity Capital Market/Private Equity in the Investment Banking division of Bank Muamalat Malaysia Berhad. As Head of Equity Capital Market/Private Equity, he is currently responsible for all investments under the private equity portfolio, the monitoring and engagement of all investments under the private equity portfolio, and leading value creation plans and related transactions.

Mohd Annas Bin Md Isa has more than 15 years of experience in various capacities in the equity capital market division and investment banking, which he is still presently involved in.

Mohd Annas Bin Md Isa does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. He does not hold any directorship in any other public listed companies

Ng Wai Luen

Independent Non-Executive Director

Ng Wai Luen, Malaysian, male, aged 48, was appointed to the Board on 25 August 2015 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee and is a member of the Nomination Committee of the Company. He graduated with a Bachelor of Business (Accounting) with distinction from RMIT University, Australia, in 1992. In 1994, he completed the Certified Public Accountant Australia ("CPA Australia") examinations. Subsequently, in 1995, he completed The Malaysian Institute of Certified Public Accountant ("MICPA") examinations. He is a member of CPA Australia, MICPA and a Chartered Accountant registered with the Malaysian Institute of Accountants.

Ng Wai Luen began his career with KPMG Malaysia in 1993 where he was responsible for statutory audits. His role involved the audit of public listed companies, due diligence reviews for corporate exercises and special audits for mergers and acquisitions. He was leading a team of audit staff for statutory audits. In 1996, he joined OKA Corporation Berhad as a Finance Manager. In 1997, he was appointed as joint company secretary. In 1998, he led a team to achieve ISO 9002 accreditation for the company. Subsequently, in 2002, he was promoted to General Manager and Chief Financial Officer, where he was responsible for the restructuring and the listing of OKA Corporation Berhad on the Second Board of the Kuala Lumpur Stock Exchange in 2002. He was appointed as head of the risk management committee from 2003 to 2011, head of the strategic business management team, member of a remunerations committee and member of the Employee Share Option Scheme ("ESOS") committee from 2004 to 2011 in OKA Corporation Berhad. He left OKA Corporation Berhad in November 2011.

He joined Starken AAC Sdn Bhd and G-Cast Concrete Sdn Bhd in 2012 as an executive director to head the business activities, where he is responsible for the operations of both companies including the initiation of the planning and setting up of the respective companies' factories. In 2016, he was appointed to the Board of Directors as the Executive Director and subsequently as the Chief Executive Officer of Starken AAC Sdn Bhd and G-Cast Concrete Sdn Bhd.

Ng Wai Luen does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. He does not hold any directorship in any other public listed companies.

KEY MANAGEMENT PERSONNEL



Perak Transit Berhad has a team of Executive Directors and key management that understand the public transportation industry. The Managing Director and the Executive Director have been with the Group for more than five (5) years and will continue to be loyal and committed to the Company's growth.

Dato' Sri Cheong Kong Fitt and Dato' Cheong Peak Sooi both understand the market which the Group operates in and have been the key driving force of the Group's recent success to date. The Group is also supported by a group of directors and key management with diverse background (i.e. legal, accounting and finance, marketing as well as being experienced in the public transportation sector), which will continue to drive the Group's growth in the future.

The profiles of Dato' Sri Cheong Kong Fitt and Dato' Cheong Peak Sooi are set out in Profiles of Directors. The profiles of the other key management personnel are as follows:

Loh Kwang Yean **Malaysian, Male, aged 41** **Chief Financial Officer**

Loh Kwang Yean, Malaysian, male, aged 41, is the Chief Financial Officer of the Group. He graduated with a Bachelor of Accounting with honours from Universiti Utara Malaysia in 1999. In 2002, he became a member of the Malaysian Institute of Accountants.

Loh Kwang Yean began his career as an Audit Assistant with Deloitte KassimChan in 1999. In 2002, he left Deloitte KassimChan and joined P.I.E. Industrial Berhad as a Project Officer in the Corporate Finance department. Subsequently in 2004, he left P.I.E. Industrial Berhad and joined Dufu Technology Corp. Berhad as a Group Accountant.

In 2011, Loh Kwang Yean left Dufu Technology Corp. Berhad and founded Northern Bridge Advisory Sdn Bhd, an independent advisory company providing advisory services in the area of finance and accounting services. In 2012, he joined LNG Resources Berhad as an Executive Director where he was involved in the management of corporate finance strategy

and outlining management policies. He left LNG Resources Berhad in February 2014 and was involved in Northern Bridge Advisory Sdn Bhd until he joined the Group in April 2015. Loh Kwang Yean joined the Group as Chief Financial Officer on 1 April 2015.

As Chief Financial Officer, Loh Kwang Yean is responsible for all aspects of the Group's finance, accounting and reporting functions.

Loh Kwang Yean does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. He does not hold any directorship in any other public listed companies.

Jennifer Chin Yi Teng **Malaysian, Female, aged 29** **Administration & Finance Manager**

Jennifer Chin Yi Teng, Malaysian, female, aged 29, is the Administration and Finance Manager of the Group. She graduated with a Bachelor of Science (Hons) in Applied Accounting from Oxford Brookes University, United Kingdom, in 2011. She is currently pursuing a professional qualification with the Association of Chartered Certified Accountants ("ACCA"). Jennifer Chin Yi Teng began her career as an Account Executive with Kin Kun Group Sdn Bhd in April 2010, while studying ACCA on a part time basis. Her responsibilities included the preparation of monthly financial statements, budget review as well as schedules for year-end audit exercises for Kin Kun Group Sdn Bhd and its subsidiaries.

In September 2012, she left Kin Kun Group Sdn Bhd and joined the Group as an Account Executive and undertook the preparations of annual and monthly financial statements, as well as budget reviews. She

was also responsible for liaising with the Group's external auditors and tax agents. In July 2014, she was promoted to Administration and Finance Manager, and her responsibilities include performing financial analysis, reporting and management activities, reviewing financial forecasts and projections, managing cash flow and investments, as well as employees' welfare.

Jennifer Chin Yi Teng does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does she have any conflict of interest with the Company. She has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. She does not hold any directorship in any other public listed companies.

KEY MANAGEMENT PERSONNEL *(cont'd)*



Nur Liana Binti Ahmad Tarmizi **Malaysian, Female, aged 28** **Terminal Manager**

Nur Liana Binti Ahmad Tarmizi, Malaysian, female, aged 28, is the Terminal Manager of the Group. She obtained a Bachelor of Civil Engineering with honours from Universiti Tenaga Nasional, Malaysia in 2012, and a Master Degree in Management from University of Bath, United Kingdom in 2014.

Nur Liana Binti Ahmad Tarmizi began her career as a Manager with Impian Atah Enterprise in 2012 and left in 2013, where her duties involved managing the daily operations of the company, including managing the cash flow and inventory, scheduling fuel deliveries, forecasting, supervising staff and enhancing performances to meet the daily, weekly and monthly targets. Subsequently, she studied her Master Degree course at University of Bath in 2013 and graduated in 2014.

Nur Liana Binti Ahmad Tarmizi joined the Group as Terminal Manager in March 2015. As the Terminal Manager of the Group, she is responsible for the whole terminal operation that covers four main departments, namely, administration, terminal operation activity, recruitment, business development and maintenance of the terminal.

Nur Liana Binti Ahmad Tarmizi does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does she have any conflict of interest with the Company. She has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. She does not hold any directorship in any other public listed companies.

Chen Lee Keen **Malaysian, Female, aged 53** **Bus Operation Administrator**

Chen Lee Keen, Malaysian, female, aged 53, is the Bus Operations Administrator of the Group. She graduated with a Sijil Pelajaran Malaysia from SMJK Ave Maria Convent, Ipoh, Perak, in year 1982. Chen Lee Keen has around 24 of years working experience in the public transportation industry.

She started her career in 1984 with Homegym Pte Ltd and subsequently, she left the company in 1985. In 1986, she joined CDF Chimie Pte Ltd, a Singapore company based in Petaling Jaya, Selangor as a Shipping Executive. She was responsible for shipment arrival and departure, cargo coordinating and schedule of shipments. In 1991, she left CDF Chimie Pte Ltd and joined Ipoh Omnibus Company Sdn Bhd as a Chief Clerk and was in-charge of daily bus operations. In 1998, she was promoted as Personal Assistant of the director, where her duties involved assisting the director in the management of the company which included liaising with employees and managing and updating all permits and licenses. She was also liaising with government bodies such

as Jabatan Pengangkutan Jalan, Puspakom and other relevant departments. Chen Lee Keen joined the Group as a Bus Operations Administrator in November 2009. She is responsible for the application and renewal of all bus route permits and licenses and ensuring that the Group's bus operations are conducted in compliance with the relevant legislation, policies and procedures.

Chen Lee Keen does not hold any shares in the company or its subsidiaries, and has no family relationship with any director and/or major shareholder of the Company nor does she have any conflict of interest with the Company. She has not been convicted of any offences within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2016. She does not hold any directorship in any other public listed companies.



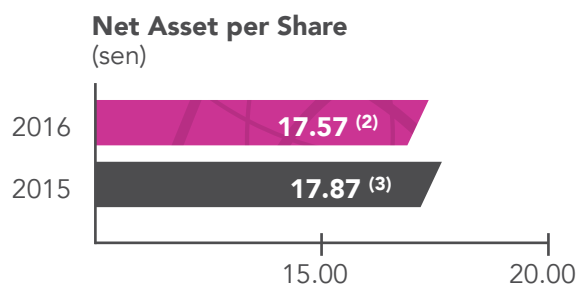
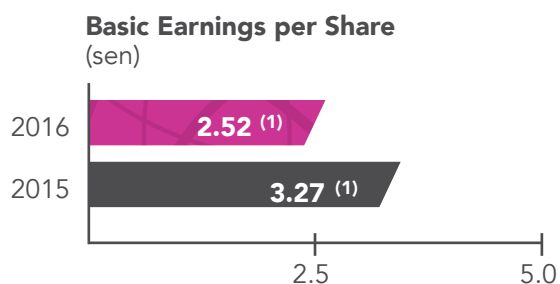
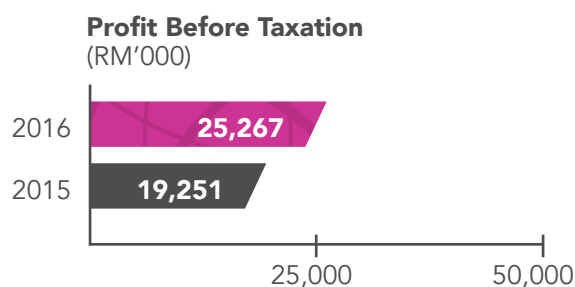
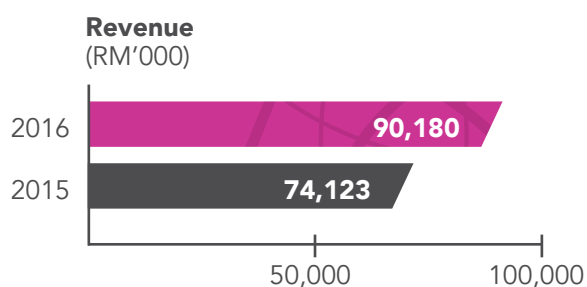
Group	2016 (RM'000)	2015 (RM'000)
Revenue	90,180	74,123
Profit before taxation	25,267	19,251
Profit for the year	21,724	19,189
Profit attributable to owners of the Company	21,567	19,082
Total equity attributable to owners of the Company	200,744	126,441
Total assets	343,327	267,359

Share Information	2016	2015
Basic earnings per share (sen)	2.52 ⁽¹⁾	3.27 ⁽¹⁾
Dividends per share (sen)	0.47 ⁽²⁾	0.44 ⁽³⁾
Net asset per share (sen)	17.57 ⁽²⁾	17.87 ⁽³⁾

Financial Ratios	2016	2015
Net profit margin	24%	26%
Return on equity attributable to owners of the company	11%	15%
Return on total assets	6%	7%
Revenue growth rate	22%	(4%)

Notes:

- (1) Basic earnings per share for the FYE 2015 and FYE 2016 are calculated based on the Company's weighted average number of ordinary shares in Perak Transit issued as at 31 December 2015 and 31 December 2016 respectively.
- (2) The share information for the FYE 2016 is calculated based on the Company's issued and paid-up share capital of 1,142,948,000 ordinary shares as at 31 December 2016.
- (3) The share information for the FYE 2015 is calculated based on the Company's issued and paid-up share capital of 707,472,000 Shares as at 31 December 2015.





Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report of Perak Transit Berhad ("PKTB") for the financial year ended 31 December 2016 ("FYE 2016").

It has been an eventful year for the Group as our Company was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 6 October 2016. I believe that the growth of the Group will continue to give shareholders value in the long-term. The listing exercise is an important initiative as it has raised our Group's corporate profile across the industry, and to support future business expansions. The Board believes that there is still a lot of potential for further growth in the Group ensuing from our public listing. We hope to make the most from many more opportunities opened to us by expanding our business through leveraging on our competitive strength and proven track records.

PKTB is principally involved in investment holding and the principal activities of the Group are the operations of Terminal AmanJaya integrated public transportation terminal and the provision of public bus services. The group also involved in fuel business with the operations of several petrol stations in Ipoh, Lahat and Kuala Kangsar, Perak.

FINANCIAL PERFORMANCE REVIEW

The Group reported revenue of RM90.18 million for FYE 2016, representing an increase of 21.66% as compared to RM74.12 million for the financial year ended 31 December 2015 ("FYE 2015"). The profits of the Group remains strong and the Group recorded a profit before taxation of RM25.27 million for FYE 2016 (FYE 2015: RM19.25 million).

Further analysis of our financial performance is contained in the Management Discussion and Analysis section of this Annual Report.



DIVIDENDS

In line with the good performance of PKTB for FYE 2016, our underlying business performance have enabled the Board to declare and paid a second interim single-tier dividend of RM0.0015 per share in respect of FYE 2016 on 24 January 2017. Combined with the first interim single-tier dividends of RM0.00325 per share paid on 15 March 2016, approximately RM4.01 million were declared and paid as dividends in respect of FYE 2016.

Our Board has a clear capital structure policy for the Group which is continually under review. We consider our policy for capital structure and how surplus fund is to be deployed between ongoing operations, investment in new businesses, ongoing dividends to shareholders and possible returns to shareholders. Our objective is to retain an efficient capital structure, while maintaining financial flexibility in the event of new investment opportunities presented to us, and to provide returns to shareholders.



FORWARD STATEMENT

Whilst the past year was challenging, good progress has been made on many fronts. These developments provide a solid base from which to take advantage of future opportunities. Our strategies of increased marketing, use of technology, the development of partnerships with local authorities and improved customer service are already producing results and will be the key to driving this business forward.

The current fiscal year has started with changes in the broader political and economic environment. It remains crucial to maintain the advantages that well-managed public transport can bring to society, and to provide people with the mobility that is essential to our economic and social needs. However, working patterns and the performance of different sectors of

the economy may fluctuate, those needs will continue to provide opportunities for the public transport industry to serve its customers to mutual advantage.

Based on our track record of owning and operating Terminal AmanJaya, our Group intend to develop the integrated public transportation terminal in other parts of Perak as well as other regions in Peninsular Malaysia as this will provide an impetus for increased scalability of our Group's business to ensure our long term continuity and sustainability.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, I would like to extend my heartfelt thanks to our shareholders, customers, business associates, suppliers, bankers and regulatory bodies for their continued and unwavering support and confidence in the Group. I would also like to extend my deepest appreciation to all our employees for their sheer hard work, continued commitment and team work.

Lastly but not the National Advisor least, my sincere appreciation to my fellow Board members for your invaluable efforts, advice and contributions to strengthen the Group's business. With your faith and support, we look forward to a better year ahead.

Tan Sri Dato' Chang Ko Youn

Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

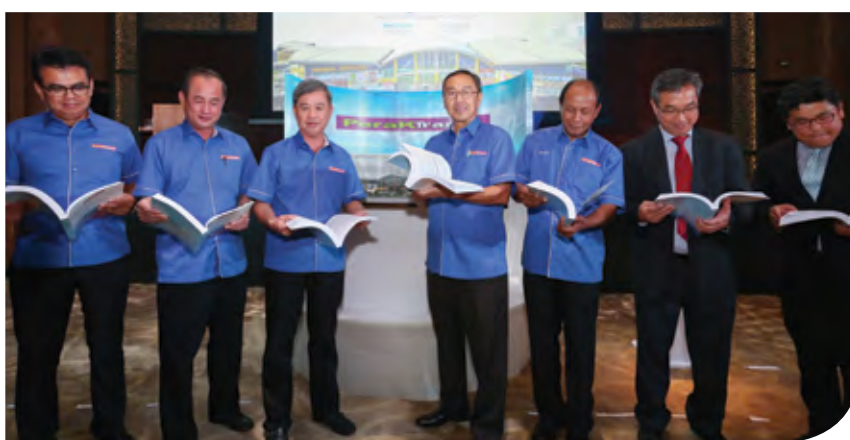


FINANCIAL REVIEW

For FYE 2016, the Group is organised and managed into business units based on three reportable segments as follows:

- i. Integrated public transportation terminal operations – Engaged in the rental of advertising and promotional (“A&P”) spaces, shops and kiosks, project facilitation and others such as entrance fee for parking, taxi and lavatory in Terminal AmanJaya.
- ii. Bus Operation - Engaged in the operation of stage and express buses.
- iii. Petrol stations operations and the management of Automotive Diesel Oil (“ADO”) incentive programme - Involved in sale of petrol and management of the ADO incentive programme for ADO buyer.

There have been no changes on the basis of segmentation or on the basis of measurement of segment profit or loss from the last annual audited financial statements.



Group Financial Performance

The Group's revenue of RM90.18 million for FYE 2016 increased by approximately 21.66% compared to the previous FYE 2015 of RM74.12 million. The major contributor to the Group's revenue during FYE 2016 was from the integrated public transportation terminal operations segment.

The Group's profit before taxation increased by 31.25% for FYE 2016 compared to the previous FYE 2015 of RM19.25 million. The profit before taxation of RM25.27 million for FYE 2016 had been arrived after listing expenses of RM2.15 million incurred during the financial year. The higher profit before taxation for FYE 2016 was mainly due to income derived from the A&P and project facilitation fee where no additional terminal staff was hired for these activities and the terminal related cost are mostly fixed in nature.

Integrated Public Transportation Terminal Operations Segment

The Group recorded revenue from this segment of RM37.01 million which accounted for 41.04% of the total revenue recorded for FYE 2016. The Group's revenue from this segment improved by 25.27% compared to the previous FYE 2015 of RM29.55 million. This increase was mainly contributed by the increase in revenue from Project Facilitation Fee to RM13.90 million compared to previous FYE 2015 of RM9.67 million.

Bus Operations Segment

The Group's revenue from bus operations segment improved from RM21.61 million during FYE 2015 to RM24.60 million in FYE 2016 mainly due to revenue generated from Stage Bus Service Transformation (“SBST”) programme as the operation runs all the nineteen (19) approved routes since September 2016.

Petrol Stations Operations and the Management of ADO Incentive Program Segment

The Group's revenue from petrol station operations and the management of ADO incentive programme improved from RM22.96 million during FYE 2015 to RM28.57 million in FYE 2016. This mainly due to revenue generated from the commencement of the new petrol station at Lubok Merbau, Kuala Kangsar in August 2015 and the revenue generated from that petrol station was recognised on full in FYE 2016.



Consolidated Statement of Financial Position

The non-current assets consisted of property, plant and equipment ("PPE"), goodwill on consolidation and deferred tax assets. For the FYE 2016, the non-current assets increased to RM255.68 million (FYE 2015: RM234.85 million) was mainly due to the increased in PPE resulted from the additional upgrading work at Terminal AmanJaya, construction cost of Terminal Kampar and purchases of twenty four (24) new express buses.

The current assets of the Group consisted of inventories, trade receivables, other receivables, other assets, current tax assets, fixed deposits with licensed banks and cash and bank balances. The current assets for the FYE 2016 increased to RM87.64 million from RM32.51 million in FYE 2015, which was mainly due to the increase in other assets to RM29.70 million (FYE 2015: RM7.18 million) and increase in fixed deposits, cash and bank balances to RM33.16 million (FYE 2015: RM12.34 million). Other assets mainly driven by deposit paid for construction material pertaining to Terminal Kampar. The increased in cash and bank balances were mainly due to proceeds from IPOs and an increase in fixed deposits of RM8.26 million for the purpose of bank borrowings.

The non-current liabilities consisted of non-current portion of obligations under hire-purchase arrangements, deferred tax liabilities, non-current portion of deferred capital grant and non-current portion bank borrowings. The non-current portion of bank borrowings had reduced to RM89.23 million (FYE 2015: RM96.60 million) mainly resulted from the utilisation of the IPOs proceeds for the settlement of all the commercial vehicles under hire-purchase arrangements.

The current liabilities of the Group consisted of trade payables, other payables, current portion of obligations under hire-purchase arrangements, current portion of bank borrowings, current portion deferred capital grant, other liabilities and current tax liabilities. The major contributor of the current liabilities is bank overdraft of RM22.19 million (FYE 2015: RM16.94 million). These bank overdrafts were used as working capital.

The equity of the Group consisted of share capital, share premium, revaluation reserve, retained earnings and non-controlling interests. The major contributor of the equity is share capital of RM114.30 million.

Consolidated Statement of Cash Flows

(a) Net cash from operating activities

During FYE 2016, the Group generated a net cash inflow before working capital changes of RM39.95 million on the back of the profit for the year of RM21.72 million. The net cash generated from the operating activities was mainly contributed from the increase of revenue to RM90.18 million (FYE 2015: RM74.12 million).

The net cash generated from the operating activities after the working capital changes was RM23.24 million (FYE 2015: RM30.05 million) mainly driven by the increased in receivables and other deposits.

(b) Net cash from investing activities

During FYE 2016, the Group had recorded net cash outflow from investing activities of RM53.96 million, which was mainly due to the purchase of PPE of RM26.52 million. In addition, the net cash outflow from investing activities is also contributed by the security deposit paid for construction material pertaining to the construction of Terminal Kampar of RM25.76 million.

(c) Net cash from financing activities

During FYE 2016, the Group recorded net cash inflow of RM41.57 million from financing activities, which was mainly attributable to the proceeds from issuance of ordinary shares of RM36.75 million. In addition, the net cash inflow from financing activities was also contributed by the drawdown of term loans, Al Bai' Bithaman Ajil facilities ("BBA"), Muamalat Term financing, and Commodity Murabahah Term financing of RM22.86 million. The cash outflows from financing activities were primarily due to finance costs paid, repayment of Muamalat Term financing, Commodity Murabahah Term financing and BBA facilities and repayment of obligations under hire purchase arrangements, amounting to RM15.38 million. Additionally, the cash outflows from financing activities were also driven by dividend paid and placement of fixed deposits of RM7.89 million pledged to bank as collateral.

STATEMENT OF CORPORATE GOVERNANCE



The Board of Directors acknowledges the importance of the principles set out in the Malaysian Code on Corporate Governance 2012 ("**Code**") and is committed to ensure good corporate governance is practiced as a fundamental part of discharging its responsibilities to enhance shareholders' value and safeguarding all stakeholders' interest.

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 6 October 2016. The following statement outlines the Company and its subsidiaries ("**Group**") application of the principles and the extent of its compliance with the recommendations of the Code.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The responsibilities of the Board, which should be set out in a Board Charter, include Management oversight, setting strategic direction premised on sustainability and promoting ethical conduct in business dealings.

1.1 Board Charter

The Board Charter, adopted by the Board on 23 September 2015, sets out the board structure, board roles, board meetings and procedures, access to information, company secretary and independent advice, relationship with shareholders and investors, board evaluation and performance to ensure that all members of the Board are aware of their duties and responsibilities as Board members.

The Board shall review the Board Charter from time to time to ensure its relevance in assisting the Board to discharge its duties in accordance to the prevailing Listing Requirements of Bursa Securities for ACE Market ("**Listing Requirements**"), and current regulations and any new regulations that may have an impact on the discharge of the Board's objectives and responsibilities.

The Board Charter is available for reference on the Company's website at www.peraktransit.com.my.

1.2 Principal Duties and Responsibilities

The Board, guided by the Board Charter, retains full and effective control of the Company and plays an important role in defining the scope of corporate governance within the Group.

The Board assumes, amongst others, the following duties and responsibilities:

- review and adopt the strategic and business plans for the Group;
- oversee the conduct and performance of the Group's businesses;
- review, identify and effectively manage the principal risks affecting the Group;
- review the adequacy and integrity of the management information and internal control systems of the Group;
- maintain effective communication with various stakeholders including shareholders and the general public; and
- establishing a succession planning for the Board members and senior management.

The Board delegates specific duties and responsibilities to three Board committees, namely Audit Committee, Nomination Committee and Remuneration Committee, which operate within defined terms of reference. The Chairman of the respective committees reports to the Board on the matters considered and their recommendation thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board also delegates authority and vest accountability for the Group's day-to-day operations with Management team led by the Managing Director.

Apart from these responsibilities, the Board may take full and independent responsibility and accountability for the smooth functioning of core processes which involve board governance, business values and ethical oversight.

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)



PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

1.3 Board Composition, Mix and Diversity

The Board currently has six (6) members, comprising two (2) Executive Directors, including the Managing Director, and four (4) Non-Executive Directors. The Non-Executive Directors comprise two (2) Independent Directors, including the Chairman of the Board, and two (2) Non-Independent Directors. The Board has a balanced composition of executive and non-executive directors under the stewardship of a Chairman to ensure that no individual or small group of individuals can dominate the Board's decision making. The number of directors fairly reflects the nominees of each of the Company's major shareholders. The Board composition complies with the Listing Requirements which require at least two (2) or at least one-third (1/3) of the Board, whichever is higher, are independent directors.

The Board comprises members with diverse experience and knowledge of business and finance. The Executive Directors, who have wealth of experiences in managing integrated public transportation terminal and bus operations as well as operation of petrol station, take on the primary responsibilities for the conduct of the Group's businesses and operations. The Non-Executive Directors are professional in their relevant field of legal regulatory, corporate finance, investment banking, finance and accounting and strategic planning. Together, they bring an independent judgment to many aspects of the Group's strategy and performance which are crucial in supporting the growth of the Group's business.

The Board recognises the importance of diversity in determining the ideal composition of the Board and amongst its workforce, including but not limited to race, ethnicity, age, gender, skills, experience, exposure and competencies.

The Board considers that gender diversity contribute positively to the performance of the Board. Currently, there is no female director on the Board. The Board is actively working towards identifying suitably female directors to be appointed to the Board. The Board recognises that the evolution of the diversity is a long process and weights the various factors relevant to board balance and diversity when vacancies arise.

The profile of the directors are set out on pages 6 to 8 of this Annual Report.

1.4 Role of Chairman and Managing Director

There is a clear division of responsibility between the Non-Executive Independent Chairman and Managing Director.

Chairman

The Chairman is primarily responsible for ensuring that the Board meets regularly throughout the year and the meetings are conducted in an orderly manner.

The Chairman leads the Board in the oversight of Management and ensures its effectiveness of all aspects of its role. He also plays a pivotal role in ensuring that the directors are effectively apprised on the business and operations of the Group and facilitates the effective contribution of all directors at Board meetings to ensure that decisions are arrived after taking into consideration the interests of shareholders, employees, customers and other stakeholders. He is also charged with the responsibility of ensuring the integrity and effectiveness of the relationships between the Non-Executive and Executive Directors, and between the Board and Management.

Managing Director

Managing Director, supported by his Management team, is responsible for the day-to-day management of the Group's businesses, which includes implementing the policies and decisions of the Board, overseeing the operations to ensure organisational effectiveness, and managing the development and implementation of the businesses and corporate strategies. He also assesses business opportunities which are of potential benefit to the Group.



PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *(Cont'd)*

1.4 Role of Chairman and Managing Director *(Cont'd)*

Managing Director *(Cont'd)*

The Managing Director reports to the Chairman with respect to matters concerning the Board members and is obliged to report and discuss at board meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments. He must bring such material and other relevant matters to the attention of the Board in an accurate and timely manner.

1.5 Code of Conduct

The Board is committed to create a corporate culture throughout the Group to operate its businesses and affairs in an ethical and professional manner and to uphold the highest standards of integrity and behaviour in all activities conducted by the Group.

The Board has adopted a Code of Conduct to set out the principles and standards of business conduct of the Group. The Code of Conduct is to assist and guide all directors, officers and employees (including full time, probationary, contract and temporary staff) of the Group in defining the ethical standards and business conduct at work, which collectively leads and is responsible for the success of the Group.

1.6 Senior Independent Non-Executive Director

The Board has designated Tan Sri Dato' Chang Ko Youn as the Senior Independent Non-Executive Director. The Senior Independent Non-Executive Director acts as a point of contact for shareholders and other stakeholders to raise their concerns that cannot be resolved through the investor communication channels.

1.7 Strategies to Promote Sustainability

The Board committed to deliver long term sustainable values to all its stakeholders, both internal and external. Thus, in all its business decisions the Board is ever mindful that amongst the key considerations are business sustainability and ethical practices. To build business sustainability and maintain ethical practices, the Board continuously instills the need to cultivate and promote good corporate values throughout the organisation by upholding the value of "Tone at the Top".

1.8 Qualified and Competent Company Secretary

The Board is supported by an experienced and competent Company Secretary who is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. The Company Secretary reports directly to the Board and plays an advisory role to the Board and Board Committees, particularly with regard to their policies and procedures and the Company's compliance with regulatory requirements, rules, guidelines and legislation, as well as the best practices of corporate governance.

All directors have access to the advice and services of the Company Secretary and are updated on the changes in the regulatory framework and corporate governance practices. The Company Secretary provides support to the Board in ensuring that the applicable rules and regulations are complied with as well as that the governance structure of the Group remains relevant and effective.

The Company Secretary attends all meetings of the Board and Board Committees and ensures that meeting procedures are followed and deliberations and proceedings at the meetings are accurately recorded and documented.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging his duties. The appointment and removal of the Company Secretary are subject to the approval of the Board.



PRINCIPLE 2: STRENGTHEN COMPOSITION

The Board should have transparent policies and procedures that will assist in the selection of Board members. The Board should comprise members who bring value to board deliberations.

2.1 Audit Committee

The Audit Committee was established by the Board on 23 September 2015. The Audit Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, related party transactions and the audit (internal and external) processes.

The Audit Committee has full access to the auditors both internally and externally who, in turn, have full access at all times to the Chairman of the Committee.

The members of the Audit Committee and the attendance of each member is provided in the Audit Committee Report set out on pages 30 to 31 of the Annual Report.

2.2 Nomination Committee

The Nomination Committee was established by the Board on 23 September 2015. The Nomination Committee assists the Board in its responsibilities in reviewing the nomination for the appointment or reappointment of Board members and to assess the performance of the Audit Committee and the Board as a whole on an on-going basis.

The Nomination Committee comprises exclusively Non-Executive Directors, with a majority of them being Independent Directors and the Chairman of the Committee is the Senior Independent Director.

The members of the Nomination Committee are:

Tan Sri Dato' Chang Ko Youn (Chairman/Independent Non-Executive Director)
Mohd Annas Bin Md Isa (Member/Non-Independent Non-Executive Director)
Ng Wai Luen (Member/Independent Non-Executive Director)

The Nomination Committee shall convene scheduled meetings at least two (2) times a year, with additional meetings to be convened at any time at the Chairman's discretion as and when necessary. The Nomination Committee did not convene any meeting during the FYE 2016 as the Company was only listed on Bursa Securities on 6 October 2016.

2.3 Boardroom Appointments

The Nomination Committee considers the following criteria prior to recommend any new candidates for appointment to the Board:

- i) skills, knowledge, expertise, experience, competence, professionalism, integrity, reliability, gender and other factors which achieve the business goals;
- ii) time commitment to serve the Board; and
- iii) composition requirements for the Board committees.

The Nomination Committee performs the following process for the selection of new candidates for the appointment to the Board:

- i) review the existing Board composition to identify the expertise required;
- ii) screen through to identify the potential candidates;
- iii) evaluate the potential candidates;
- iv) shortlist and assess the candidates who possess the expertise required and time commitment to the Board; and
- v) recommend to the Board for approval.



PRINCIPLE 2: STRENGTHEN COMPOSITION (Cont'd)

2.3 Boardroom Appointments (Cont'd)

Upon the appointment of new directors to the Board, the Chairman of the Board will ensure that the new members are fully briefed on the terms of their appointment, duties and responsibilities and obtain the expected time commitment from the members to carry out their responsibilities at the time of appointment.

New members shall also be briefed on the operations of the Group to increase their understanding of the business, the environment and markets in which the Group operates, the current issues within the Group, the corporate strategy, the expectations of the Group concerning input from directors and the general responsibilities of the directors, including meeting key members of Management.

2.4 Assessment of Board and Audit Committee

The Board periodically conducts a formal review of its own performance. This mechanism acts as a regular check on the composition of the Board and the appropriateness of the mix of skills, experience, expertise and diversity of the Board members for the Company.

The Nomination Committee is required to implement the evaluation process to assess the effectiveness of the Board as a whole, the contribution of each individual director and the Audit Committee on an annual basis.

The results of the evaluation process assist the Nomination Committee to review, on an annual basis, the required mix of skills and experience and other qualities, including core competencies which directors should bring to the Audit Committee and the Board. The assessment of directors is an examination of each director's ability to contribute to the effective decision making of the Audit Committee and the Board.

The overall results of the evaluation process and the improvements recommended thereon are to be presented by the Chairman of the Nomination Committee to the Board in respect of the performance of the Board as a whole.

The Nomination Committee has yet to conduct any evaluation on the Audit Committee and the Board as the Company was only listed on Bursa Securities on 6 October 2016.

2.5 Re-election to the Board

In accordance with the Articles of Association of the Company, an election of directors takes place subsequent to their appointment each year where one-third (1/3) of the directors or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire by rotation from office and shall be eligible for re-election at each Annual General Meeting ("AGM") and that each director shall retire from office at least once in every three (3) years and shall be eligible for re-election.

The directors who are due for retirement and eligible for re-election at the AGM are Dato' Sri Cheong Kong Fitt and Dato' Cheong Peak Sooi pursuant to Article 99(1) of the Articles of Association of the Company.

2.6 Remuneration Committee

The Remuneration Committee was established by the Board on 23 September 2015. The Remuneration Committee assists the Board in its responsibilities in establishing a formal and transparent procedure for developing policy on the remuneration packages of the Executive and Non-Executive Directors.

The Remuneration Committee comprises a majority of Non-Executive Directors.

The members of the Remuneration Committee are:

Dato' Wan Asmadi Bin Wan Ahmad (Chairman/Non-Independent Non-Executive Director)
Mohd Annas Bin Md Isa (Member/Non-Independent Non-Executive Director)
Dato' Cheong Peak Sooi (Member/Executive Director)

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)



PRINCIPLE 2: STRENGTHEN COMPOSITION (Cont'd)

2.6 Remuneration Committee (Cont'd)

The Remuneration Committee shall convene scheduled meetings at least two (2) times a year, with additional meetings to be convened at any time at the Chairman's discretion as and when necessary. The Remuneration Committee has convened one (1) meeting during the FYE 2016 subsequent to the listing of the Company on Bursa Securities on 6 October 2016.

The Remuneration Committee's meeting held on 17 November 2016 discussed and resolved the following:

- i) affirm the Terms of Reference of Remuneration Committee; and
- ii) review, evaluate and recommend to the Board the Directors' remuneration for Executive and Non-Executive Directors for the months of October to December 2016 and for the financial year 2017 upon determining and reviewing the policies and principles for the remuneration based on directors experience, time commitment, the nature and size of the Company consistent with a few similar size public listed companies listed on the ACE Market of Bursa Securities. The Remuneration Committee also ensured that the directors' remuneration are in line with the business strategy, objectives, values and long term interest of the Group.

The aggregate remuneration of the directors received/receivable from the Company and its subsidiaries, categorised into appropriate components, for the FYE 2016 is as follows:

Received from Company

	Fees	Salaries and Other emoluments	Benefits-in-kind	Total
Executive Directors	-	89,200	5,300	94,500
Non-Executive Directors	57,000	71,200	-	128,200

Received on Group basis

	Fees	Salaries and Other emoluments	Benefits-in-kind	Total
Executive Directors	-	672,193	56,550	728,743
Non-Executive Directors	57,000	71,200	-	128,200

In addition, the numbers of directors whose remuneration fall within the broadly categorised bands are as follows:

Received from Company

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM1 to RM50,000	2	4

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)



PRINCIPLE 2: STRENGTHEN COMPOSITION (Cont'd)

2.6 Remuneration Committee (Cont'd)

Received on Group basis

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM1 to RM50,000	-	4
RM300,001 to RM350,000	1	-
RM400,001 to RM450,000	1	-

PRINCIPLE 3: REINFORCE INDEPENDENCE

The board should have policies and procedures to ensure effectiveness of independent directors.

3.1 Review of Directors' Independence

The Nomination Committee is responsible for assessing the independence of the Independent Directors on an annual basis to ensure non-compromise to familiarity or close relationship with other Board members. In addition to the annual review by the Nomination Committee, each Independent Director is required to declare his independence annually.

The Nomination Committee has yet to conduct any assessment on the independence of the Independent Directors as the Company was only listed on Bursa Securities on 6 October 2016. Nevertheless, each Independent Director has declared his independence during the tenure of his directorship in the FYE 2016.

3.2 Tenure of Independent Directors

The Board is aware that the tenure of Independent Directors shall not to exceed a cumulative term of nine (9) years as recommended by the Code. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director.

Currently, the tenure of the two (2) Independent Directors of the Company has yet to exceed the cumulative term of nine (9) years.

PRINCIPLE 4: FOSTER COMMITMENT

Directors should devote sufficient time to carry out their responsibilities, regularly update their knowledge and enhance their skills.

4.1 Time Commitment

All Board members are aware that they must not hold directorships of more than five (5) public listed companies. Currently, all directors of the Company are in compliance with this requirement, as none of the directors hold any directorship in any other public listed companies.

The Board meetings for the ensuing years are scheduled in advance before the end of each financial year to enable the directors to plan ahead and allocate the time for the meetings.

The Board shall convene scheduled meetings at least four (4) times a year, with additional meetings to be convened as and when necessary. In the intervals between the Board meetings, any matters requiring urgent Board's decision or approval will be sought via circular resolutions.

STATEMENT OF CORPORATE GOVERNANCE *(Cont'd)*



PRINCIPLE 4: FOSTER COMMITMENT *(Cont'd)*

4.1 Time Commitment *(Cont'd)*

For the FYE 2016, the Board has convened three (3) meetings. The details of the attendance of the directors at the Board meetings are as follows:

Board of Directors	Scheduled meetings	Attendance at Board meeting
Tan Sri Dato' Chang Ko Youn	3	3
Dato' Sri Cheong Kong Fitt	3	3
Dato' Cheong Peak Sooi	3	3
Dato' Wan Asmadi Bin Wan Ahmad	3	3
Mohd Annas Bin Md Isa	3	3
Ng Wai Luen	3	3

The Board is satisfied with the level of time commitment given by the directors towards fulfilling the roles and responsibilities which is evidenced by the satisfactory attendance record of the directors at the Board meetings.

4.2 Supply of Information to Board

Each Board member receives the agenda of a Board meeting, follow by a full set of Board papers prior to the meeting. This enables the directors to have sufficient time to review the meeting materials before attending the meeting.

The directors have unrestricted and immediate access to Management and all information on the affairs of the Group whether as full Board members or in their individual capacity, in furtherance to their duties. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information relating to the business, operations and governance of the Group, to enable the Board to discharge its duties effectively.

The directors, collectively or individually, may seek independent professional advice and information in furtherance of their duties at the Company's expense, so as to ensure directors are able to make independent and informed decision.

During the FYE 2016, none of the directors had sought independent professional advice.

4.3 Directors' Training

All directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The directors will also continue to attend relevant and appropriate seminars and training programmes to update and enhance their knowledge and skills. This will enable directors to effectively discharge duties and sustain active participation in the Board deliberations.

During the financial year, the following directors have attended the following seminars and training programmes:

Name	Seminars
Tan Sri Dato' Chang Ko Youn	• Mandatory Accreditation Programme
Dato' Sri Cheong Kong Fitt	• Mandatory Accreditation Programme
	• Public Transport: Transforming the Nation
Dato' Cheong Peak Sooi	• Mandatory Accreditation Programme
	• Public Transport: Transforming the Nation

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)



PRINCIPLE 4: FOSTER COMMITMENT (Cont'd)

4.3 Directors' Training (Cont'd)

Name	Seminars
Dato' Wan Asmadi Bin Wan Ahmad	<ul style="list-style-type: none">Mandatory Accreditation ProgrammeCG Breakfast Series with Directors: "The Cybersecurity Threat and How Board Should Mitigate the Risks"
Mohd Annas Bin Md Isa	<ul style="list-style-type: none">Mandatory Accreditation ProgrammePublic Transport: Transforming the NationCG Breakfast Series with Directors: "The Cybersecurity Threat and How Board Should Mitigate the Risks"
Ng Wai Luen	<ul style="list-style-type: none">Mandatory Accreditation Programme

The Board shall also on continuous basis, evaluate and determine the training needs of its directors in subject matter that must be one that aids the directors in discharging their duties as a director.

PRINCIPLE 5: UPHOLD INTEGRITY FINANCIAL REPORTING

The board should ensure financial statements are a reliable source of information.

5.1 Financial Reporting

For financial reporting through quarterly interim financial reports to Bursa Securities and the audited annual financial statements to shareholders, the Board is committed to provide a balanced, fair and comprehensive assessment of the Group's financial position, performance and future prospects.

The Audit Committee assists the Board in overseeing the financial reporting process and the quality of the financial reporting of the Group. The Audit Committee reviews the quarterly interim financial reports and the audited annual financial statements to ensure completeness, accuracy, adequacy and comply with applicable financial reporting standards prior to release to Bursa Securities.

The Statement of Directors' Responsibility in relation to the preparation of the annual audited financial statements of the Company and the Group is set out on page 29 of the Annual Report.

5.2 External Auditors and its Independence

The primary purpose of an audit is to provide shareholders with an expert, independent opinion as to whether the financial statements of the Company reflect a true and fair view of the financial position of the company. The auditors should be independent from the Company so that their audit opinion will not be influenced by any relationship between both parties.

The Audit Committee maintains a transparent and professional relationship with the external auditors. The Audit Committee is assigned to assess, review and supervise the performance, suitability and independence of the external auditors.

In determining the independence of the external auditors of the Company, Deloitte PLT ("Deloitte"), the Audit Committee has considered several factors which include size of audit firm, level of competitive in audit services market, tenure of audit firm serving and size of audit fees received by Deloitte in relation to total percentage to annual audit revenue. The Audit Committee has obtained written assurance from Deloitte confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

Based on the review by Audit Committee, the Board is of the opinion that Deloitte is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

STATEMENT OF CORPORATE GOVERNANCE *(Cont'd)*



PRINCIPLE 5: UPHOLD INTEGRITY FINANCIAL REPORTING (Cont'd)

5.2 External Auditors and its Independence (Cont'd)

Deloitte has acted as the external auditors of the Group for three (3) years. The Audit Committee would like to request for a new tender of quotation from others auditors besides Deloitte for the next 3 years to ensure independence of the external auditors.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

The board should establish a sound risk management framework and internal controls system.

6.1 Risk Management and Internal Control

The Board has established a framework to formulate and review risk management policies and risk strategies. The Board is of the view that the current system of risk management and internal control in place through the Group is sufficient to safeguard the Group's assets and shareholders' investment.

The Statement on Risk Management and Internal Control, which provides an overview of the state of risk management and internal controls within the Group, is set out on pages 32 to 34 in the Annual Report.

6.2 Internal Audit

The Board is committed to establish and to maintain a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls, and compliance laws and regulations.

The Company has outsourced the internal audit function to an independent professional service firm, Crowe Horwath Governance Sdn Bhd.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Companies should establish corporate disclosure policies and procedures to ensure comprehensive, accurate and timely disclosures.

The Board acknowledges that the dissemination of material information done to promulgate timeliness, clarity, completeness and accuracy in the disclosure of information to enable shareholders and investors to make informed decisions.

The Company uses the following formal channels to communicate with shareholders and other stakeholders:

7.1 Annual Report

The Annual Report of the Company is a key channel of communication with shareholders and other stakeholders. The contents of the Annual Report comprise sufficient details of the business, financial performance, direction and other activities of the Company which enhance the transparency level of the Group generally and meet the Listing Requirements and other governing regulatory requirements.

An online version of the Annual Report will be made available on the Company's website.

7.2 Announcements to Bursa Securities

All announcements required under the Listing Requirements are made to Bursa Securities via Bursa Link. The Company also voluntarily made announcements for release to the public to provide updates to shareholders and other stakeholders for decision-making. All announcements are reviewed by the Admission Sponsor and approved by the directors prior to their release.

All announcements are also available on the Company's website.

STATEMENT OF CORPORATE GOVERNANCE (Cont'd)



PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE (Cont'd)

7.3 Websites

The Company's corporate website at www.peraktransit.com.my provides an avenue for accessing to the latest corporate information and development of the Group easily and immediately. It houses information of the Group which includes corporate profile, financial results, press releases and corporate news and events.

Alternatively, Bursa Securities' website at www.bursamalaysia.com is another source of information to shareholders, investors and public community on the various announcements made by the Company from time to time in addition to the Annual Report submitted to Bursa Securities.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The board should facilitate the exercise of ownership rights by shareholders.

The Board recognises the value of a strong investor relationship and is committed to maintain an effective communication channel that enables the Board and Management to communicate effectively with shareholders and other stakeholders.

8.1 Annual General Meeting ("AGM")

The Company's AGM is the main forum for communication and dialogue with shareholders. The Annual Report which includes the Notice of AGM is circulated to shareholders at least 21 days before the date of the meeting. The Notice of AGM is announced to Bursa Securities for public release and also advertised in the newspaper.

Shareholders are encouraged to attend the AGM and to raise questions on the resolutions set out in the Notice of AGM as well as matters relating to the Group's businesses and affairs during the AGM.

8.2 Poll Voting

All resolutions set out in the notice of general meetings of the Company are to be decided on a poll. A scrutiner will be appointed to monitor the conduct of polling for each general meeting. The outcome of all resolutions proposed in general meetings, including the total number of votes cast on the poll (together with percentage) in favour of and against each resolution, will be announced to Bursa Securities at the end of the meeting day.

8.3 Engagement with Shareholders

The Board has designated Tan Sri Dato' Chang Ko Youn, the Senior Independent Non-Executive Director, to whom shareholders may address their concerns or queries relating to the Group. Shareholders are also encouraged to direct their queries by way of correspondence in writing or through email to enquiry@peraktransit.com.my.

COMPLIANCE STATEMENT

The Board strives to observe and is committed to ensure full application of the principles and recommendations of the Code to achieve a high standard of corporate governance within the Group.

This statement was approved by the Board on 23 February 2017.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT



The Board of Directors is committed to ensure the Company and its subsidiaries ("Group") run their businesses in a responsible and sustainable manner so as to achieve a fair balance between profitability and contributions in supporting our Corporate Social Responsibility ("CSR") initiatives.

As the Company is only recently listed on Bursa Malaysia Securities Berhad, the Group has initiated effort and shall continue to contribute and play an active role in promoting CSR activities within our community.

During the year, the Group has initiated CSR activities which include the following:

Community

The Company has organised a charity fundraising event "New Year Eve Charity Bazaar" at Terminal AmanJaya, Ipoh, Perak in collaboration with Century Edge Group Sdn Bhd to raise fund for the unfortunate children from Hope Mission Home, a non-profit organisation in Teluk Intan, Perak. Helping the less privileged in our community is one of the CSR programmes that the Group intends to actively take part, contribute and work with other charitable organisations in the future.

The Combined Bus Services Sdn Bhd ("The Combined Bus"), a subsidiary of the Company, has subsidised and allocated space for the set up of a library at Terminal AmanJaya, namely Perpustakaan Komuniti 1Malaysia Terminal AmanJaya, which is equipped with computers and is Wi-Fi enabled, operated by Perbadanan Perpustakaan Awam Negeri Perak. With the facilities, passengers and public community are able to have access to free Wi-Fi and read in a comfortable environment while waiting for their transports.

The Combined Bus has provided free transportation services to ferry visitors to attend an event, "Program Merakyatkan Kenderaan Awam di Perak" organised by Pertubuhan Anak Perak. The event is to promote awareness when sharing rides through public transport.

The Combined Bus has donated two (2) units of used buses to Sekolah Menengah Agama Al-Wosto, Temerloh, Pahang and Sekolah Menengah Kebangsaan Dato' Sri Amar Diraja Muar, Johor for the schools to use as transport for their students.

Work Environment

The Group has set a policy for the maintenance of vehicles and replacement of buses that reach its useful life. Through proper and regular maintenance, vehicles run cleaner and more efficiently. Most importantly, this can improve on emission performance and reduce energy consumption of the buses which align with our initiative to protect the environment.

Employees are main assets in driving the business growth. The Group believes that a well-trained, well-motivated and well-managed workforce is essential for efficient operations and the success of the business. The Group shall continue to invest in trainings and skills development programmes for the employees to improve their productivity and to keep themselves abreast with the latest developments in the industry.

ADDITIONAL DISCLOSURE REQUIREMENT



i) Utilisation of Proceeds

In conjunction with and as an integral part of the listing of Company on Bursa Securities on 6 October 2016, the Company undertook an initial public offering ("IPO") exercise which raised a gross proceeds of RM36.75 million.

The status of the utilisation of the gross proceeds raised as at 31 December 2016 was utilised as follows:

Purpose	Intended utilisation RM'000	Actual utilisation to-date RM'000	Deviation		Intended timeframe for utilisation (from date of listing)
			RM'000	%	
Business expansion	20,000	138	–	–	Within 24 months
Repayment of hire purchase facilities	2,109	1,798	311	14.75	Within 12 months
Working capital	10,481	751	–	–	Within 24 months
Estimated listing expenses	4,160	3,775	385	9.25	Within 6 months
Total	36,750	6,462	696		

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 15 September 2016.

All utilisation were intended for a period between 12 to 24 months, hence the low utilisation, except for RM3.78 million which has been utilised for actual listing expenses. The deviation was mainly due to miscellaneous expenses within the estimated listing expenses. The deviation from the repayment of hire purchase facilities of RM0.31 million was due to the repayment made is lower than the amount allocated for. The differences will be included into the portion allocated for working capital purposes.

ii) Audit and Non-Audit Fees

The audit and non-audit fees to the external auditors and their affiliates for services rendered during the FYE 2016 are as follows:

FYE 2016	Company (RM'000)	Group (RM'000)
Audit	90	219
Non-Audit	199	414

The non-audit fees included assurance services comprises, amongst others, fee related to the Company's IPO.

iii) Options, warrants or convertibles securities

During the FYE 2016, the Company has not issued any options, warrants or convertibles securities.

iv) Material contracts

There were no material contracts entered into by the Company and its subsidiaries involving directors' or major shareholders' interests that were still subsisting at the end of the FYE 2016 or, it not then subsisting, entered into since the end of previous financial year.

v) Recurrent related party transactions

During the FYE 2016, the Company did not seek mandate from shareholders for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as there are no recurrent related party transactions which exceeded the materiality threshold stated in paragraph 10.09(1) of the Listing Requirements.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RELATION TO THE FINANCIAL STATEMENTS



This statement is prepared as required by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The directors are required under the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of their results and cash flows for that year then ended.

The directors consider that in preparing the financial statements:-

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgments and estimates were made;
- the preparation of the financial statements are on a going concern basis; and
- all applicable approved accounting standards in Malaysia have been followed.

The directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and to detect fraud and other irregularities.

This statement was made in accordance with a resolution of the Board dated 23 February 2017.

AUDIT COMMITTEE REPORT



The Audit Committee was established by the Board on 23 September 2015 to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, related party transactions and the internal and external audit processes.

The Audit Committee comprises three (3) members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors.

The Audit Committee shall convene scheduled meetings at least four (4) times a year, with additional meetings to be convened at any time at the Chairman's discretion as and when necessary.

The Audit Committee has convened two (2) meetings during the FYE 2016 subsequent to the listing of the Company on Bursa Malaysia Securities Berhad ("Bursa Securities") on 6 October 2016.

Name of Members	Scheduled meetings	Attendance at Audit Committee meeting
Ng Wai Luen (Chairman) Independent Non-Executive Director	2	2
Tan Sri Dato' Chang Ko Youn (Member) Independent Non-Executive Director	2	2
Dato' Wan Asmadi Bin Wan Ahmad (Member) Non-Independent Non-Executive Director	2	2

SUMMARY OF ACTIVITIES

The activities of the Audit Committee during the FYE 2016 comprised of the following:

1. Terms of Reference of Audit Committee

The Audit Committee affirmed the terms of reference of Audit Committee which cover the duties and responsibilities of the Audit Committee.

The Audit Committee agreed to adhere to the quorum of at least two (2) members for each meeting, the majority of the members present must be independent members and approve the tentative timetable for 2017 meetings.

2. Financial Reporting

The Audit Committee reviewed the audited financial statements and unaudited quarterly interim financial reports and recommended the same to the Board for approval and announcement to Bursa Securities and Securities Commission Malaysia.

3. External Auditors

The Audit Committee reviewed the proposed audit planning memorandum with the external auditors. The Audit Committee had a discussion with the external auditors without the presence of the executive personnel of the Company.

4. Internal Audit

The Audit Committee reviewed and considered the option to outsource the internal audit function and thereafter approved the appointment of an independent professional services firm, Crowe Horwath Governance Sdn Bhd, to carry out internal audit services, including enterprise risk management services, for the Group and the proposed internal audit fees thereon.

The fees incurred for the internal audit services rendered during the FYE 2016 amounted to RM43,900.

AUDIT COMMITTEE REPORT *(Cont'd)*



Subsequent to the FYE 2016, the activities of the Audit Committee comprised the following:

1. Financial Reporting

The Audit Committee reviewed the unaudited interim financial reports for the fourth quarter of 2016 and recommended the same to the Board for approval and announcement to Bursa Securities and Securities Commission Malaysia.

2. External Auditors

The Audit Committee received and considered the 'Final Report to those charged with governance' of the external auditors for the audit on the financial results of the Company for the financial year ended 31 December 2016. The Audit Committee deliberated on the audit findings, the audit fees and non-audit services and their related fees payable to the external auditors. The Audit Committee had a meeting with the external auditors without the presence of the executive personnel of the Company.

The Audit Committee reviewed the suitability and Independence of the external auditors and has considered the factors of the auditors' credibility such as the size of audit firm, level of competitive in audit services market, tenure of audit firm serving and amount of audit fees received by the external auditors. The Audit Committee was satisfied as to the suitability and independence of the external auditors.

The Audit Committee has obtained written assurance from the external auditors confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

3. Internal Audit

The Audit Committee reviewed and approved the '2016 Internal Audit Report' and 'Enterprise-Wide Risk Management Report'. The Audit Committee considered the Internal Auditors' recommendations and has taken into account the Management's responses on the audit findings.

The Audit Committee reviewed and accepted the 'Internal Audit Plan for the year 2017'.

The Audit Committee considered and recommended for the formation of Risk Management Working Committee to be under the preview of the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Bursa Malaysia Securities Berhad Listing Requirements which requires the Board of Directors ("Board") to include in its Company's Annual Report a statement about the state of its internal control. The revised Malaysian Code on Corporate Governance 2012 ("Code") requires all listed companies to establish and to maintain a sound risk management framework and internal control system to safeguard the shareholders' investment and the Company's assets.

Accordingly, the Board of Perak Transit Berhad ("Group") is pleased to present the Statement on Risk Management and Internal Control ("Statement") that was prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers" issued by Bursa Malaysia Securities Berhad which outlines the processes to be adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

RESPONSIBILITY OF THE BOARD

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The Board recognises the importance of good corporate governance and is committed in maintaining a sound system of internal controls to safeguard the shareholder's investment and the Group's assets.

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system. Because of the limitations that are inherent in any system of internal control, it should be noted that the system is designed to provide reasonable combination of preventive, detective and corrective measures and accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's risk management and internal control framework is an ongoing process, and has been in place for identifying, evaluating and managing significant risks that are faced or potentially to be encountered by the Group and the Board regularly reviews the said process.

RISK MANAGEMENT

The Group takes cognizance of the importance of a sound risk management framework to be in place as a principal safeguard towards controlling risks. Accordingly, the Group has an embedded process for the identification, evaluation, reporting, monitoring and review of the major strategic, business and operation risks within the Group. The Board's and Management's practice of proactive identification on significant risks on a half-yearly basis or earlier as appropriate, particularly if there are any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks. Accordingly, the Board would put in place the appropriate risk response strategies and controls until those risks are managed to and maintained at a level acceptable to the Board. This is further supported by the Internal Audit function and the staff to effectively inculcate risk management practices and controls into the corporate culture, processes and structures within the Group.

Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and regulations.

The risk management process is in effect through the following mechanisms and measures, by which the Board obtains timely and accurate information of all major control issues in relation to internal controls, regulatory compliance and risk-taking:

- **Internal Audit and Risk Management Function**

The Board acknowledges the importance of internal audit and risk management functions and has engaged the services of an independent professional audit and advisory firm to provide much of the assurance it requires regarding the effectiveness as well the adequacy and integrity of the Group's systems of internal control and risk management.

The Internal Audit function adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. Scheduled internal audits are carried out by the independent auditors based on the audit plan presented to, and approved by, the Audit Committee. The audit focuses on areas with high risk to ensure that an adequate action plan is put in place to improve the controls. For those areas with high risk and adequate controls, the audit ascertains that the risks are effectively mitigated by the controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)



RISK MANAGEMENT (Cont'd)

- **Internal Audit and Risk Management Function (Cont'd)**

On a half-yearly basis or earlier as appropriate, the Internal Auditors report to the Audit Committee on areas for improvement and will subsequently follow up to determine whether their recommendations have been duly implemented by the Management.

- **Financial Performance Planning, Review and Monitoring**

Regular periodic meetings of the Board, Board Committees and Senior Management represent the main platform through which the Group's performance and conduct is assessed and is monitored. The daily operations of the business are entrusted to the Managing Director and the management team.

- **Operational Monitoring and Controls**

The Group ensures that regular and comprehensive information is provided to the Board, covering financial and operational performance and key business indicators, for effective monitoring and decision making.

The Board also ensures that all recurrent related party transactions are dealt in accordance with the Listing Requirement's requirements. These recurrent related party transactions are subject to review and consideration by the Audit Committee and the Board at their respective meetings.

The Group, being involved in the public transportation industry, primarily uses a large fleet of buses to carry out its business activities. The said buses have scheduled maintenance works to ensure that they are roadworthy and comply with all relevant laws, rules and regulations.

INTERNAL CONTROL

The Board whilst maintaining full control and direction over appropriate strategic, financial, organisational and compliance issues has delegated to the Management the implementation of the systems of internal control within an established framework. The Group's current system of internal control and risk management include the following key elements:

- an effective Board and Audit Committee which retains control over the Group, reviews the business operations, approves significant transactions, monitors management and assesses the effectiveness of internal controls;
- clearly defined lines of authority and divisionalised organisation structure to achieve the Group's objectives and monitor the conduct and operations within the Group;
- quarterly results of the Group's financial performance are presented to the Audit Committee for recommendation for adoption by the Board;
- regular management meetings comprising the senior management to review and discuss significant issues relating to financial performance, operations, technical and key support functions;
- segregation of duties and physical safeguarding of assets for example limiting of access to assets, documents and records and establishing custodial responsibilities; and
- clearly defined recruitment processes and relevant training to enhance staff competency levels.

The Board receives and regularly reviews reports regarding the operations and performance of the Group. Apart from financial controls, the Group's system of internal control also cover operational and compliance controls and most importantly, risk management. As part of the risk management process, the Board is continuously identifying, assessing and managing significant business risks faced by the Group throughout the financial year.

The Board maintains ultimate responsibility over the Group's systems of internal control which has been delegated to the management for effective implementation. The role of Internal Audit is to provide reasonable assurance that the designed control are in place and are operating as intended.

The internal audit function is to primarily assist the Audit Committee and the Board in monitoring compliance, making recommendations for continuous improvement to process, systems and reviewing the effectiveness of the internal control structures. The internal auditors also participate in the risk management to provide assurance of good governance and application of security controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(Cont'd)*



INTERNAL CONTROL (Cont'd)

The Audit Committee assists the Board in fulfilling its responsibilities on maintaining a sound system of internal control and risk management. The Audit Committee monitors the levels of assurance within the Group through their review of the reports of the external auditor and internal auditor, nature and scope of their work and monitoring the implementation progress of audit recommendations.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

As required under Paragraph 15.23 of the Listing Requirements, the External Auditor has reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the FYE 2016 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control of the Group.

CONCLUSION

Based on the internal audit reports for the year ended 31 December 2016, there is a reasonable assurance that the Group's system of internal controls are generally adequate and appear to be working satisfactorily. A process improvement and two (2) implementation lapses were identified during the financial year, all of which have been, or are being addressed. None of the said occurrences have resulted in any material losses, contingencies or uncertainties that would require disclosure in the annual report.

The Board has received assurance from the Executive Director and Chief Financial Officer that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

The Board remains committed towards operating a sound system of internal control, recognising that the system must continually evolve to support the types of business, size and operations of the Group. As such, the Board will when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal control.

DIRECTOR'S REPORT

for the financial year ended 31 December 2016



DIRECTORS' REPORT

The directors of **PERAK TRANSIT BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2016.

PRINCIPAL ACTIVITIES

The Company is principally involved as an investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 15 to the financial statements.

SIGNIFICANT EVENT

During the current financial year, the Company completed its Initial Public Offering exercise with the listing and quotation of its entire enlarged issued and paid-up share capital comprising 1,142,948,000 ordinary shares of RM0.10 each on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on October 6, 2016.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit for the year and total comprehensive income	<u>21,724,752</u>	<u>6,269,837</u>
Profit attributable to:		
Owners of the Company	21,566,627	6,269,837
Non-controlling interests	<u>158,125</u>	<u>–</u>
	<u>21,724,752</u>	<u>6,269,837</u>

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

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid or proposed by the Company are in respect of the following:

A first single tier interim dividend of 3.25%, amounting to RM2,299,284 declared in respect of ordinary shares for the current financial year, was paid by the Company on March 15, 2016.

A second single tier interim dividend of 1.50%, amounting to RM1,714,422 declared in respect of ordinary shares for the current financial year on December 28, 2016, was paid on January 24, 2017.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

DIRECTOR'S REPORT *(Cont'd)*

for the financial year ended 31 December 2016



ISSUE OF SHARES AND DEBENTURES

As approved by the shareholders and in conjunction with the listing and quotation of the entire enlarged issued and paid-up share capital of the Company on the ACE Market of Bursa Malaysia, the issued and paid-up share capital of the Company was increased from RM70,747,200 consisting of 707,472,000 ordinary shares of RM0.10 each to RM114,294,800 consisting of 1,142,948,000 ordinary shares of RM0.10 each by way of:

- (i) capitalisation of Musharakah Capital funding totalling RM20,000,000 into 190,476,000 ordinary shares of RM0.10 each at the conversion rate of RM0.105 per ordinary share pursuant to the Investment Agreement through a Members' Resolution dated July 15, 2016;
- (ii) public issue of 58,000,000 ordinary shares of RM0.10 each at an issue price of RM0.15 per ordinary shares to Malaysian Public through a Members' Resolution dated September 20, 2016; and
- (iii) private placement of 187,000,000 ordinary shares of RM0.10 each at an issue price of RM0.15 per ordinary shares to selected investors through a Members' Resolution dated September 20, 2016.

The resulting premium arising from the shares capitalised from (i) above of RM952,400 and shares issued from (ii) and (iii) above of RM12,250,000 respectively have been credited to the share premium account.

The new shares issued rank pari passu with the existing ordinary shares.

The Company has not issued any debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that no known bad debts needed to be written off and that no allowance for doubtful debts was necessary; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of any bad debts or the making of allowance for doubtful debts in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTOR'S REPORT *(Cont'd)*

for the financial year ended 31 December 2016



OTHER STATUTORY INFORMATION (Cont'd)

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, 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 operations of the Group and of the Company for the financial year in which this report is made other than those disclosed in Note 38 to the financial statements.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dato' Chang Ko Youn
Dato' Sri Cheong Kong Fitt
Dato' Cheong Peak Sooi
Dato' Wan Asmadi Bin Wan Ahmad
Encik Mohd. Annas Bin Md Isa
Mr. Ng Wai Luen

The directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Ipoh Link Sdn. Bhd.

Dato' Sri Cheong Kong Fitt
Dato' Cheong Peak Sooi
Mr. Ong Luck Yik @ Ong Lek Chuan

Syarikat Sumber Manusia Sdn. Bhd.

Dato' Sri Cheong Kong Fitt
Dato' Cheong Peak Sooi
Mr. Ong Luck Yik @ Ong Lek Chuan

CKS Labur Sdn. Bhd.

Dato' Sri Cheong Kong Fitt
Datin Sri Lim Sow Keng

Terminal Urus Sdn. Bhd.

Dato' Sri Cheong Kong Fitt
Dato' Cheong Peak Sooi

The Combined Bus Services Sdn. Bhd.

Dato' Sri Cheong Kong Fitt
Dato' Cheong Peak Sooi
Dato' Abu Bakar Bin Haji Said
Mr. Ong Luck Yik @ Ong Lek Chuan

Star Kensington Sdn. Bhd.

Datin Sri Lim Sow Keng
Ms. Poon Hee Lai

DIRECTOR'S REPORT *(Cont'd)*

for the financial year ended 31 December 2016



DIRECTORS (Cont'd)

CKS Bumi Sdn. Bhd.

Dato' Sri Cheong Kong Fitt
Dato' Cheong Peak Sooi
Puan Rozilawati Binti Mohamad
Encik Rasid Bin Kaman

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

Number of ordinary shares of RM0.10 each	
Shares in the Company	
Direct interests	
Dato' Sri Cheong Kong Fitt	178,262,550
Dato' Cheong Peak Sooi	18,551,450
Indirect interests by virtue of shares held by a company in which a director has interests	
Dato' Sri Cheong Kong Fitt	190,000,000
Indirect interests by virtue of shares held by a person connected to the director	
Dato' Sri Cheong Kong Fitt	*74,658,000

* This is his spouse's interest in the ordinary shares of the Company which shall be treated as his interest in the ordinary shares of the Company pursuant to Section 8(4) of the Companies Act, 2016 in Malaysia.

There was no movement in the directors' shareholdings during the financial year.

By virtue of his interests in the shares of the Company, Dato' Sri Cheong Kong Fitt is also deemed to have an interest in the shares of the subsidiaries to the extent that the Company has an interest.

Tan Sri Dato' Chang Ko Youn, Dato' Wan Asmadi Bin Wan Ahmad, Encik Mohd. Annas Bin Md Isa and Mr. Ng Wai Luen did not hold shares or had beneficial interests in the shares of the Company or its related corporation during or at the beginning and end of the financial year. Under the Company's Constitution, the directors are not required to hold any share in the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for rental expenses paid/payable to a person connected to certain directors of the Company as disclosed in Note 19 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTOR'S REPORT *(Cont'd)*

for the financial year ended 31 December 2016



INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There were no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS' REMUNERATION

The amount paid as remuneration of the auditors for the financial year ended December 31, 2016 is as disclosed in Note 8 to the financial statements.

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

DATO' SRI CHEONG KONG FITT

DATO' CHEONG PEAK SOOI

Ipoh,
April 3, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PERAK TRANSIT BERHAD



Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **PERAK TRANSIT BERHAD**, which comprise the statements of financial position of the Group and of the Company as of December 31, 2016, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 105.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of December 31, 2016, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF PERAK TRANSIT BERHAD



Key audit matter

How the scope of our audit responded to the key audit matter

Capitalisation of capital expenditure

During the current financial year ended December 31, 2016, the Group capitalised a total capital expenditure of RM30.35 million as part of its property, plant and equipment. Due to the significance of the expenditure incurred, we identified this as an area requiring our audit focus for the current financial year.

Specifically, we focused our audit efforts to determine:

- whether the cost of upgrading and renovation works at Terminal AmanJaya of RM13.24 million (see Note 14 to the financial statements), capitalised during the year as property, plant and equipment by management, met the Group's policy as mentioned in Note 3 to the financial statements and the specific recognition criteria set in MFRS 116, *Property, plant and equipment* and whether any expenditure incurred ought to be expensed to profit or loss for the year; and
- whether construction costs incurred by the Group on its Terminal Kampar project during the year, that were capitalised by management as capital work-in-progress of RM3.13 million grouped under property, plant and equipment account (see Note 14 to the financial statements) and as deposits paid of RM25.76 million (see Note 20 to the financial statements) grouped under other assets appropriately reflected the underlying nature of these payments.

We tailored and performed audit procedures to address this area of focus which included amongst others:

- tested the design and implementation of the key controls around the capitalisation process of the property, plant and equipment;
- tested, on a sample basis, the appropriateness of cost capitalised to supporting documentation such as contracts/ architect certifications/ bills/ invoices;
- inquiry of relevant management personnel on the nature, timing and purposes of the incurred capital expenditure;
- physically sighted a sample of the capital additions to assess the existence of the asset; and
- assessed the competency of the architect employed to certify on the upgrading and renovation works.

Key sources of estimation uncertainty at the end of the reporting period regarding impairment and estimated useful lives of property, plant and equipment can be read from Note 4 to the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT *(Cont'd)*

TO THE MEMBERS OF PERAK TRANSIT BERHAD



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group.

INDEPENDENT AUDITORS' REPORT *(Cont'd)*

TO THE MEMBERS OF PERAK TRANSIT BERHAD



We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

The supplementary information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

LIM KENG PEO
Partner - 2939/01/18(J/PH)
Chartered Accountant

April 3, 2017

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016



	Note	The Group		The Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Revenue	6	90,180,025	74,123,311	11,108,742	6,665,245
Investment revenue	7	207,154	38,624	85,698	–
Amortisation of deferred capital grant		199,600	199,600	–	–
Other operating income	8	1,393,376	1,370,894	68,019	4,561
Other gains and losses	9	–	155,383	–	139,718
Purchase of trading goods		(26,531,797)	(21,354,568)	–	–
Changes in inventories of trading goods		(107,876)	(120,853)	–	–
Directors' remuneration	10	(800,393)	(669,127)	(217,400)	(131,398)
Employee benefit expenses	8	(7,350,417)	(6,280,785)	(231,298)	(140,541)
Depreciation of property, plant and equipment	14	(7,876,213)	(6,745,030)	(34,519)	(28,856)
Finance costs	11	(7,296,921)	(7,464,383)	(1,396,312)	(2,033,154)
Other operating expenses	8	(16,748,754)	(14,001,723)	(3,076,772)	(2,022,340)
Profit before tax		25,267,784	19,251,343	6,306,158	2,453,235
Tax expenses	12	(3,543,032)	(62,447)	(36,321)	(999)
Profit for the year and total comprehensive income		<u>21,724,752</u>	<u>19,188,896</u>	<u>6,269,837</u>	<u>2,452,236</u>
Profit for the year and total comprehensive income attributable to:					
Owners of the Company		21,566,627	19,082,399	6,269,837	2,452,236
Non-controlling interests		158,125	106,497	–	–
		<u>21,724,752</u>	<u>19,188,896</u>	<u>6,269,837</u>	<u>2,452,236</u>
Earnings per share					
Basic and diluted (sen per share)	13	<u>2.52</u>	<u>3.27</u>		

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

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2016



		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	248,467,221	225,992,762	295,728	330,247
Investment in subsidiaries	15	–	–	65,772,347	65,772,347
Goodwill on consolidation	16	1,622,631	1,622,631	–	–
Deferred tax assets	30	5,594,365	7,231,230	–	–
Total non-current assets		255,684,217	234,846,623	66,068,075	66,102,594
Current assets					
Inventories	17	894,913	1,064,464	–	–
Trade and other receivables	18	23,692,705	11,871,801	–	–
Amount owing by subsidiaries	19	–	–	75,393,132	30,427,974
Current tax assets	12	189,712	63,424	63,724	917
Other assets	20	29,702,677	7,175,076	123,981	200,674
Fixed deposits, cash and bank balances	21	33,162,377	12,337,858	13,806,556	1,237,261
Total current assets		87,642,384	32,512,623	89,387,393	31,866,826
Total assets		343,326,601	267,359,246	155,455,468	97,969,420
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	22	114,294,800	70,747,200	114,294,800	70,747,200
Reserves	24	26,129,982	12,927,582	13,202,400	–
Retained earnings/ (Accumulated losses)	25	60,319,090	42,766,169	2,144,722	(111,409)
Equity attributable to owners of the Company		200,743,872	126,440,951	129,641,922	70,635,791
Non-controlling interests	26	742,787	595,921	–	–
Total equity		201,486,659	127,036,872	129,641,922	70,635,791

STATEMENTS OF FINANCIAL POSITION *(Cont'd)*

AS OF DECEMBER 31, 2016



		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
Non-current liabilities					
Obligations under					
hire-purchase arrangements	27	86,920	1,842,531	–	–
Borrowings	28	89,231,216	96,595,665	7,567,614	20,000,000
Deferred capital grant	29	8,982,000	9,181,600	–	–
Deferred tax liabilities	30	1,328,028	1,351,030	5,500	5,500
Total non-current liabilities		99,628,164	108,970,826	7,573,114	20,005,500
Current liabilities					
Trade and other payables	31	2,785,830	2,940,497	64,536	131,599
Obligations under					
hire-purchase arrangements	27	88,512	1,196,759	–	–
Borrowings	28	31,036,850	20,743,412	16,227,663	6,980,171
Current tax liabilities	12	635,744	445,040	–	–
Deferred capital grant	29	199,600	199,600	–	–
Other liabilities	32	7,465,242	5,826,240	1,948,233	216,359
Total current liabilities		42,211,778	31,351,548	18,240,432	7,328,129
Total liabilities		141,839,942	140,322,374	25,813,546	27,333,629
Total equity and liabilities		343,326,601	267,359,246	155,455,468	97,969,420

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016



The Group	Note(s)	Attributable to Owners of the Company							Total Equity RM
		Share Capital RM	Share Premium RM	Redeemable Convertible Preference Shares ("RCPS") RM	Non-distributable Reserve - Property Revaluation Reserve RM	Distributable Reserve - Retained Earnings RM	Subtotal RM	Non-controlling Interests RM	
Balance as of January 1, 2015		50,047,200	-	1,701,234	12,927,582	25,755,533	90,431,549	496,181	90,927,730
Profit for the year and total comprehensive income		-	-	-	-	-	-	-	-
Issue of shares	22	3,500,000	-	-	-	19,082,399	19,082,399	106,497	19,188,896
Conversion of RCPS	22&23	17,200,000	-	(1,701,234)	-	518,097	16,016,863	-	16,016,863
Acquisition of shares from non-controlling interests	26	-	-	-	-	-	-	(2)	(2)
Dividends	33	-	-	-	-	(2,589,860)	(2,589,860)	(6,755)	(2,596,615)
Balance as of December 31, 2015		70,747,200	-	-	12,927,582	42,766,169	126,440,951	595,921	127,036,872
Profit for the year and total comprehensive income		-	-	-	-	-	-	-	-
Capitalisation of Musharakah		-	-	-	-	21,566,627	21,566,627	158,125	21,724,752
Capital funding	22&24	19,047,600	952,400	-	-	-	20,000,000	-	20,000,000
Issue of shares	22&24	24,500,000	12,250,000	-	-	-	36,750,000	-	36,750,000
Dividends	33	-	-	-	-	(4,013,706)	(4,013,706)	(11,259)	(4,024,965)
Balance as of December 31, 2016		114,294,800	13,202,400	-	12,927,582	60,319,090	200,743,872	742,787	201,486,659

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

STATEMENT OF CHANGES IN EQUITY *(Cont'd)*

FOR THE YEAR ENDED DECEMBER 31, 2016



The Company	Note(s)	Share Capital RM	Share Premium RM	Redeemable Convertible Preference Shares ("RCPS") RM	Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
Balance as of January 1, 2015		50,047,200	–	1,701,234	(491,882)	51,256,552
Profit for the year and total comprehensive income		–	–	–	2,452,236	2,452,236
Issue of shares	22	3,500,000	–	–	–	3,500,000
Conversion of RCPS	22&23	17,200,000	–	(1,701,234)	518,097	16,016,863
Dividends	33	–	–	–	(2,589,860)	(2,589,860)
Balance as of December 31, 2015		70,747,200	–	–	(111,409)	70,635,791
Profit for the year and total comprehensive income		–	–	–	6,269,837	6,269,837
Capitalisation of Musharakah Capital funding	22&24	19,047,600	952,400	–	–	20,000,000
Issue of shares	22&24	24,500,000	12,250,000	–	–	36,750,000
Dividends	33	–	–	–	(4,013,706)	(4,013,706)
Balance as of December 31, 2016		114,294,800	13,202,400	–	2,144,722	129,641,922

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016



The Group	Note	2016 RM	2015 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		21,724,752	19,188,896
Adjustments for:			
Depreciation of property, plant and equipment		7,876,213	6,745,030
Finance costs		7,296,921	7,464,383
Tax expenses recognised in profit or loss		3,543,032	62,447
Property, plant and equipment written off		2	10
Interest income		(288,454)	(60,892)
Amortisation of deferred capital grant		(199,600)	(199,600)
Gain on conversion of RCPS into ordinary shares		–	(139,718)
Gain on disposal of property, plant and equipment		–	(15,665)
		39,952,866	33,044,891
Movements in working capital:			
Decrease/(Increase) in:			
Inventories		169,551	78,555
Trade and other receivables		(11,820,904)	(7,289,695)
Other assets		(1,561,882)	(203,445)
(Decrease)/Increase in:			
Trade and other payables		(1,685,867)	1,023,383
Other liabilities		(27,216)	4,146,414
Cash Generated From Operations		25,026,548	30,800,103
Interest received on current accounts		81,300	22,268
Income tax refunded		36,434	92,504
Income tax paid		(1,901,187)	(860,308)
Net Cash From Operating Activities		23,243,095	30,054,567

STATEMENT OF CASH FLOWS *(Cont'd)*

FOR THE YEAR ENDED DECEMBER 31, 2016



The Group	Note	2016 RM	2015 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest received on fixed deposits		206,093	38,624
Interest received on other investment		1,061	–
Purchase of property, plant and equipment	35(a)	(26,522,674)	(22,235,717)
Deposits paid for purchase of property, plant and equipment		(23,262,519)	(6,423,700)
Placement of fixed deposits no longer meet the definition of cash equivalents		(4,384,315)	(647,109)
Proceeds from disposal of property, plant and equipment		–	79,000
Acquisition of shares from non-controlling interests		–	(2)
Net Cash Used In Investing Activities		<u>(53,962,354)</u>	<u>(29,188,904)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		36,750,000	–
Drawdown of term loans, Al Bai' Bithaman Ajil facilities ("BBA"), Musharakah financing arrangement, Muamalat Term financing arrangement and Commodity Murabahah Term financing arrangement		22,856,000	6,531,200
Proceeds from bank overdrafts		5,245,198	16,939,322
Finance costs paid		(7,345,125)	(7,117,203)
Placement of fixed deposits pledged to banks		(5,586,656)	(152,589)
Repayment of term loans, BBA, Muamalat Term financing arrangement and Commodity Murabahah Term financing arrangement		(5,172,209)	(2,652,477)
Repayment of obligations under hire-purchase arrangements		(2,863,858)	(1,762,077)
Dividends paid		(2,299,284)	(2,589,860)
Dividends paid to non-controlling interests		(11,259)	(6,755)
Repayment to directors		–	(18,328,668)
Net Cash From/(Used In) Financing Activities		<u>41,572,807</u>	<u>(9,139,107)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10,853,548	(8,273,444)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		11,185,728	19,459,172
CASH AND CASH EQUIVALENTS AT END OF YEAR	35(b)	<u>22,039,276</u>	<u>11,185,728</u>

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

STATEMENT OF CASH FLOWS *(Cont'd)*

FOR THE YEAR ENDED DECEMBER 31, 2016



The Company	Note	2016 RM	2015 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		6,269,837	2,452,236
Adjustments for:			
Finance costs		1,396,312	2,033,154
Tax expenses recognised in profit or loss		36,321	999
Depreciation of property, plant and equipment		34,519	28,856
Interest income		(153,717)	(4,561)
Gain on conversion of RCPS into ordinary shares		–	(139,718)
		7,583,272	4,370,966
Movements in working capital:			
Decrease/(Increase) in other assets		76,693	(199,433)
(Decrease)/Increase in:			
Trade and other payables		(67,063)	131,599
Other liabilities		65,656	(158,608)
Cash Generated From Operations		7,658,558	4,144,524
Interest income received on current accounts		68,019	4,561
Income tax refunded		872	1,537
Income tax paid		(100,000)	(2,000)
Net Cash From Operating Activities		7,627,449	4,148,622
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest received on fixed deposits		84,637	–
Interest received on other investment		1,061	–
Advance granted to subsidiaries - net		(44,965,158)	(7,403,999)
Purchase of property, plant and equipment	35(a)	–	(345,189)
Additional investment in subsidiaries		–	(2)
Net Cash Used In Investing Activities		(44,879,460)	(7,749,190)

STATEMENT OF CASH FLOWS *(Cont'd)*

FOR THE YEAR ENDED DECEMBER 31, 2016



The Company	Note	2016 RM	2015 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		36,750,000	–
Drawdown of Musharakah financing arrangement, Muamalat Term financing arrangement and Commodity Murabahah Term financing arrangement		12,500,000	5,000,000
Proceeds from bank overdraft		5,831,149	6,980,171
Placement of fixed deposits pledged to banks		(4,084,637)	–
Dividends paid		(2,299,284)	(2,589,860)
Repayment of Muamalat Term financing arrangement and Commodity Murabahah Term financing arrangement		(1,516,043)	–
Finance costs paid		(1,444,516)	(1,685,974)
Repayment to directors		–	(4,700,000)
Net Cash From Financing Activities		<u>45,736,669</u>	<u>3,004,337</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,484,658	(596,231)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1,237,261</u>	<u>1,833,492</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	35(b)	<u>9,721,919</u>	<u>1,237,261</u>

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

NOTES TO THE FINANCIAL STATEMENTS



1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company is principally involved as an investment holding.

The principal activities of the subsidiaries are disclosed in Note 15.

The registered office of the Company is located at D-3-7, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at Terminal AmanJaya, No. 1, Persiaran Meru Raya 5, Meru Raya, 30020 Ipoh, Perak Darul Ridzuan.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on April 3, 2017.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

2.1 Adoption of amendments to MFRSs

Amendments to MFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group and the Company have applied a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2016.

The adoption of amendments to MFRSs has had no material impact on the disclosures or on the amounts recognised in the financial statements.

2.2 Standards in issue but not yet effective

The directors anticipate that the following Standards will be adopted in the annual financial statements of the Group and of the Company when they become mandatorily effective for adoption. The adoption of these Standards are not expected to have a material impact on the financial statements of the Group and of the Company except as further discussed below:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ²
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications) ²
MFRS 16	Leases ³
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts ²
Amendments to MFRS 140	Transfers of Investment Property ²
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration ²
Amendments to MFRS 107	Disclosure Initiative ¹
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle ^{1 or 2}

¹ Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

² Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.



2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.2 Standards in issue but not yet effective (Cont'd)

MFRS 9 *Financial Instruments*

MFRS 9 (IFRS 9 issued by IASB in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued by IASB in October 2010) include requirements for the classification and measurement of financial liabilities and for derecognition, and in February 2014, the new requirements for general hedge accounting was issued by MASB. Another revised version of MFRS 9 was issued by MASB - MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- all recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.



2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.2 Standards in issue but not yet effective (Cont'd)

Key requirements of MFRS 9 (Cont'd)

The directors of the Group and of the Company anticipate that the application of MFRS 9 in the future may have a material impact on amounts reported in respect of the Group's and of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 9 until the Group and the Company complete a detailed review.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Subsequently, amendments to MFRS 15 were issued in June 2016 which provide clarification on certain requirements of MFRS 15 and provide additional transitional relief upon implementing MFRS 15. 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 to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The directors of the Group and of the Company anticipate that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in these financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group and the Company complete a detailed review.

MFRS 16 Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The directors of the Company anticipate that the application of MFRS 16 in the future may have an impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Group and the Company perform a detailed review.



3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for certain non-current assets and financial instruments that are measured at revalued amounts or at amortised costs, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The principal accounting policies are set out below:

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- (i) has power over the investee;
- (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (iii) has the ability to use its power to affect its returns.

The Company reassessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control 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. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is 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 (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- (a) deferred tax assets or deferred tax liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to the share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interests in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business Combinations (Cont'd)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRSs.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

The policy described above is applied to all business combinations that take place on or after January 1, 2011.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Goodwill (Cont'd)

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue Recognition

Revenue from sale of goods and performance of services are measured at the fair value of the consideration received or receivable upon delivery of goods or performance of services, net of Goods and Services Tax, trade discounts and returns.

Income from bus operations

Revenue from bus operations is recognised when the related service is rendered to the passengers or as and when services are completed while the government support fund for bus operations is recognised based on services provided and operational costs incurred.

Revenue from bus operations on rental of space for advertisement is recognised on a straight-line basis, by reference to the contracts entered.

Income from petrol station operations and the management of Automotive Diesel Oil ("ADO") incentive programme

Revenue from petrol station operations is recognised when the petrol, diesel fuel and groceries are sold.

Revenue from the management of ADO incentive programme consists of commission income which is recognised upon rendering of relevant services.

Income from integrated public transportation terminal operations

Revenue from integrated public transportation terminal operations comprise rental of advertisement and promotional spaces, lavatory fee, bus and taxi entrance fee, car parking fee and project facilitation fee.

Rental of advertisement and promotional spaces, lavatory fee and taxi entrance fee are recognised on a straight-line basis over the period of services.

Bus entrance fee is recognised when buses enter the bus terminal or bus entrance tickets are sold.

Car parking fees are recognised when cars leave the terminal.

Project facilitation fees are recognised when the service is provided based on the terms of agreement entered.

Subsidies income from the State Government

Income from subsidies is recognised when services stipulated in the contracts entered are provided. Subsidies receivable is accrued on a time basis, by reference to the contracts entered.

Dividend income

Dividend income represents gross dividends from unquoted investments and is recognised when the shareholder's right to receive payment is established, provided that it is probable that the economic benefits will flow to the Group and to the Company, and the amount of revenue can be measured reliably.

Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance lease

Assets held under finance leases, including hire-purchase arrangements, are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee Benefits

Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to EPF are recognised as an expense when employees have rendered service entitling them to the contributions and are disclosed separately. The employees' contributions to EPF are included in salaries and wages. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Taxation

Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability of the Group and of the Company for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the consolidated profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the consolidated profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

Redeemable Convertible Preference Shares ("RCPS")

The RCPS is regarded as a compound instrument, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as finance costs in profit or loss using the effective interest rate method. On issuance of the RCPS, the fair value of the liability component is determined using a market rate for non-collateralised loan with similar maturity profile.

The residual amount, after deducting the fair value of the liability component, is included in shareholders' equity, net of transaction costs, when the instrument was first recognised.

Property, Plant and Equipment

Leasehold land, buildings and integrated public transportation terminal are stated in the statements of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such leasehold land, buildings and integrated public transportation terminal, net of tax, are credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising from the revaluation of such leasehold land, buildings and integrated public transportation terminal are charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Leasehold land is amortised evenly over the remaining lease periods ranging from 39 to 94 years. Buildings are amortised evenly over their remaining useful lives ranging from 14.47 to 45 years.

The integrated public transportation terminal is amortised evenly over its remaining useful life of 47 years.

Capital work-in-progress is not depreciated. Capital work-in-progress comprises contractors' payments and directly attributable costs incurred in preparing these assets for their intended use. Depreciation on assets under construction commences when the assets are ready for their intended use.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment (Cont'd)

Depreciation is recognised so as to write off the cost of assets, other than capital work-in-progress, over their estimated useful lives, after taking into account their estimated residual values using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Annual depreciation rates used to depreciate property, plant and equipment over their estimated remaining useful lives are as follows:

Plant and machinery and skid tanks	10% to 20%
Commercial vehicles	5 to 15 years
Motor vehicles	20%
Computer and software	10% to 20%
Office equipment, signboard and CCTV	10% to 20%
Renovation	10%

Assets held under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the hire-purchase term, assets are depreciated over the shorter of the hire-purchase term and their useful lives.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, Plant and Equipment Under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire-purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payment of the assets under hire-purchase at the inception of the respective arrangements.

Finance costs, which represent the difference between the total hire-purchase commitments and the fair values of the assets acquired, are charged to profit or loss over the term of the relevant hire-purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Impairment of Assets

At the end of each reporting period, the Group and the Company review the carrying amounts of its assets (other than inventories and financial assets, which are dealt with in their respective policies) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of Assets (Cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "First-in First-out" method. The cost of petrol and diesoline comprise the original purchase price. The cost of spare parts and groceries comprise the original purchase price plus cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past event and it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial Instruments

Financial instruments 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 instruments.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets and financial liabilities classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income and expense is recognised on an effective interest basis for debt instruments other than those financial assets or financial liabilities classified as at FVTPL.

(a) Financial assets

Financial assets of the Group and of the Company are classified into "loans and receivables" category. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. 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, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is 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.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Effective interest method (Cont'd)

(a) Financial assets (Cont'd)

(ii) *Impairment of financial assets (Cont'd)*

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 is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iii) *Derecognition of financial assets*

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interests in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(b) Financial liabilities and equity instruments

(i) *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of financial liabilities and equity instruments.

(ii) *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and by the Company are recognised at the proceeds received, net of direct issue costs.

(iii) *Financial liabilities*

Financial liabilities of the Group and of the Company are classified into "other financial liabilities" categories.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Effective interest method (Cont'd)

(b) Financial liabilities and equity instruments (Cont'd)

(iv) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(v) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

(vi) Financial guarantee contracts

The Group has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Group to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liabilities are initially recognised at their fair values plus transaction costs and subsequently at the higher of the amount determined in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate, in the Group's statements of financial position.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Group will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Group's statements of financial position.

Segment Information

For management purpose, the Group is organised into operating segments based on their business segment which is regularly reviewed by the Group's chief operation decision officer for the performance of the respective segments under their charge. The segment chief operation officer reports directly to the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance.



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Statement of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash and bank balances and fixed deposits which are not pledged and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) *Critical judgement made in applying accounting policies*

In the process of applying accounting policies of the Group and of the Company, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) *Key sources of estimation uncertainty*

In the application of the accounting policies of the Group and of the Company, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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:

(a) Impairment of Property, Plant and Equipment

The Group and the Company assess impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount. The Group and the Company perform an impairment indicator test annually for signs of impairment of its property, plant and equipment. If there are signs of impairment, then a review of recoverable amounts is performed.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's and on the Company's estimates calculated based on historical, sector and industry trends, general market and economic conditions and other available information. Management of the Group and of the Company have carried out a review on its property, plant and equipment and concluded that no indication of impairment existed.

(b) Estimated Useful Lives of Property, Plant and Equipment

The Group and the Company review the estimated useful lives of property, plant and equipment at the end of each annual reporting period based on factors such as business plan and strategies and expected level of usage. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(c) Recoverability of Receivables

An allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of transactions. This is determined based on the ageing profile and collection patterns. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

(d) Deferred Tax Assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

5. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. For management purposes, the Group is organised into the following four (4) operating divisions:

- (i) Operation of integrated public transportation terminal - Operator of integrated public transportation terminal.
- (ii) Operation of public transport - Operator of public transportation.
- (iii) Operation petrol station - Operator of petrol station.
- (iv) Others - Investment holding or having principal activities unrelated to operators of integrated public transportation terminal, public transport and petrol station.

No information on geographical area is presented as the Group operates mainly in Perak Darul Ridzuan, Malaysia.

Revenue from external customers contributing more than 10% of the total revenue are as follows:

	The Group	
	2016 RM	2015 RM
Customer A - operation of integrated public transportation terminal	13,896,226	9,668,774
Customer B - operation of integrated public transportation terminal	11,163,679	—
Customer C - operation of integrated public transportation terminal and public transport	—	9,384,805
	25,059,905	19,053,579

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



5. SEGMENT REPORTING (Cont'd)

Information regarding the Group's reportable segments is presented below:

2016	Operation of integrated public transportation	Operation of public transport	Operation of petrol station	Others	Total	Elimination	Consolidated
	RM	RM	RM	RM	RM	RM	RM
Revenue							
External revenue	37,013,894	24,598,752	28,567,379	-	90,180,025	-	90,180,025
Inter-segment revenue	-	1,050,000	225,647	11,108,742	12,384,389	(12,384,389)	-
Total revenue	<u>37,013,894</u>	<u>25,648,752</u>	<u>28,793,026</u>	<u>11,108,742</u>	<u>102,564,414</u>	<u>(12,384,389)</u>	<u>90,180,025</u>
Results							
Segment result	29,109,853	5,498,804	1,227,583	7,548,753	43,384,993	(11,108,742)	32,276,251
Investment revenue	50,851	13,820	56,785	85,698	207,154	-	207,154
Interest income	4,195	8,114	972	68,019	81,300	-	81,300
Finance costs	<u>(3,682,224)</u>	<u>(1,803,441)</u>	<u>(414,944)</u>	<u>(1,396,312)</u>	<u>(7,296,921)</u>	-	<u>(7,296,921)</u>
Profit before tax	<u>25,482,675</u>	<u>3,717,297</u>	<u>870,396</u>	<u>6,306,158</u>	<u>36,376,526</u>	<u>(11,108,742)</u>	<u>25,267,784</u>
Tax expenses							<u>(3,543,032)</u>
Profit for the year							<u>21,724,752</u>
Other information							
Capital expenditure:							
Property, plant and equipment	17,669,313	12,610,196	71,165	-	30,350,674	-	30,350,674
Depreciation of property, plant and equipment	3,416,371	3,892,777	532,546	34,519	7,876,213	-	7,876,213
Amortisation of deferred capital grant	<u>199,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,600</u>	-	<u>199,600</u>
Assets and liabilities							
Segment assets	236,723,633	68,225,916	16,214,915	155,391,744	476,556,208	(140,082,347)	336,473,861
Current tax assets and deferred tax assets	29,817	4,688	17,375	63,724	115,604	-	115,604
Unallocated corporate assets							<u>6,737,136</u>
Total assets							<u>343,326,601</u>
Segment liabilities	67,897,055	32,405,074	15,440,753	25,808,046	141,550,928	(1,679,000)	139,871,928
Current tax liabilities and deferred tax liabilities	621,659	194,279	1,142,334	5,500	1,963,772	-	1,963,772
Unallocated corporate liabilities							<u>4,242</u>
Total liabilities							<u>141,839,942</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



5. SEGMENT REPORTING (Cont'd)

Information regarding the Group's reportable segments is presented below (Cont'd) :

2015	Operation of integrated public transportation	Operation of public transport	Operation of petrol station	Others	Total	Elimination	Consolidated
	RM	RM	RM	RM	RM	RM	RM
Revenue							
External revenue	29,547,883	21,615,543	22,959,885	–	74,123,311	–	74,123,311
Inter-segment revenue	30,000	1,050,000	92,152	6,665,245	7,837,397	(7,837,397)	–
Total revenue	<u>29,577,883</u>	<u>22,665,543</u>	<u>23,052,037</u>	<u>6,665,245</u>	<u>81,960,708</u>	<u>(7,837,397)</u>	<u>74,123,311</u>
Results							
Segment result	22,673,955	5,573,583	590,713	4,481,828	33,320,079	(6,665,245)	26,654,834
Investment revenue	23,312	–	15,312	–	38,624	–	38,624
Interest income	7,153	8,121	2,433	4,561	22,268	–	22,268
Finance costs	<u>(3,768,253)</u>	<u>(1,477,001)</u>	<u>(185,975)</u>	<u>(2,033,154)</u>	<u>(7,464,383)</u>	<u>–</u>	<u>(7,464,383)</u>
Profit before tax	<u>18,936,167</u>	<u>4,104,703</u>	<u>422,483</u>	<u>2,453,235</u>	<u>25,916,588</u>	<u>(6,665,245)</u>	<u>19,251,343</u>
Tax expenses							<u>(62,447)</u>
Profit for the year							<u>19,188,896</u>
Other information							
Capital expenditure:							
Property, plant and equipment	13,988,686	5,178,927	3,022,915	345,189	22,535,717	–	22,535,717
Depreciation of property, plant and equipment	3,223,213	2,997,988	494,973	28,856	6,745,030	–	6,745,030
Amortisation of deferred capital grant	199,600	–	–	–	199,600	–	199,600
Assets and liabilities							
Segment assets	186,033,531	53,452,764	17,636,782	97,968,503	355,091,580	(95,181,930)	259,909,650
Current tax assets and deferred tax assets	28,313	8,244	25,950	917	63,424	–	63,424
Unallocated corporate assets							<u>7,386,172</u>
Total assets							<u>267,359,246</u>
Segment liabilities	74,356,468	24,179,525	14,312,396	27,328,129	140,176,518	(2,264,000)	137,912,518
Current tax liabilities and deferred tax liabilities	402,653	234,782	1,153,135	5,500	1,796,070	–	1,796,070
Unallocated corporate liabilities							<u>613,786</u>
Total liabilities							<u>140,322,374</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



6. REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Income from:				
Integrated public transportation terminal operations	37,013,894	29,547,883	–	–
Petrol station operations and the management of Automotive Diesel Oil incentive programme	28,567,379	22,959,885	–	–
Bus operations	24,598,752	21,615,543	–	–
Dividend income	–	–	11,108,742	6,665,245
	90,180,025	74,123,311	11,108,742	6,665,245

Included in income from bus operations is government support fund received/receivable from Suruhanjaya Pengangkutan Awam Darat ("SPAD") to support the Group's bus operations amounting to RM5,543,498 (2015: RM2,245,398).

7. INVESTMENT REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Investment revenue earned on loans and receivables (including cash and cash equivalents):				
Interest income from:				
Fixed deposits	206,093	38,624	84,637	–
Other investments	1,061	–	1,061	–
	207,154	38,624	85,698	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



8. OTHER OPERATING INCOME/(EXPENSES) AND EMPLOYEE BENEFIT EXPENSES

Included in other operating income/(expenses) are the following:

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Rental income	888,000	870,100	–	–
Subsidies received from the State Government	240,000	240,000	–	–
Interest received on current accounts	81,300	22,268	68,019	4,561
Performance-linked operating allowance	–	40	–	–
Audit fees:				
Statutory audit:				
Current year	(219,000)	(71,000)	(90,000)	(19,000)
Non-statutory audit:				
Current year	(265,000)	(599,000)	(195,000)	(508,000)
Prior year	14,000	–	5,600	–
Rental of:				
Bus terminal	(180,000)	(180,000)	–	–
Crane and equipment	(124,014)	(50,692)	–	–
Premises	(72,622)	(86,262)	(48,000)	(32,000)
Vehicle	(200)	–	–	–
Property, plant and equipment written off	(2)	(10)	–	–

Included in employee benefit expenses of the Group and of the Company are contributions made to EPF of RM189,299 (2015: RM165,270) and RM24,572 (2015: RM14,895) respectively.

9. OTHER GAINS AND LOSSES

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Gain on conversion of RCPS into ordinary shares	–	139,718	–	139,718
Gain on disposal of property, plant and equipment	–	15,665	–	–
	–	155,383	–	139,718

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



10. DIRECTORS' REMUNERATION

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Salaries, allowances and bonuses	661,627	589,331	154,800	118,400
EPF contributions	81,766	79,796	5,600	12,998
Fees	57,000	–	57,000	–
	800,393	669,127	217,400	131,398

The estimated monetary value of benefits-in-kind received and receivable by the directors other than in cash from the Group and from the Company amounted to RM56,550 and RM5,300 (2015: RM66,050 and RM5,300) respectively.

11. FINANCE COSTS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest on:				
Al Bai' Bithaman Ajil facilities ("BBA")	4,454,434	4,207,205	–	–
Bank overdrafts	1,397,377	1,278,368	633,878	610,523
Muamalat Term financing arrangement	577,328	–	417,790	–
Musharakah financing arrangement	325,068	537,226	325,068	537,226
Term loans	258,260	266,814	–	–
Obligations under hire-purchase arrangements	166,434	267,521	–	–
Commodity Murabahah Term financing arrangement	19,228	–	19,228	–
Other financial liabilities	–	884,865	–	884,865
Bank charges, commitment fees and commission charges	11,568	16,269	348	540
Bank guarantee fees	87,224	6,115	–	–
	7,296,921	7,464,383	1,396,312	2,033,154

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



12. TAX EXPENSES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM

Recognised in profit or loss

Income tax expenses comprise:

Current year	(1,926,562)	(1,236,387)	(36,276)	(1,084)
Prior years	(2,607)	(108,528)	(45)	85
	(1,929,169)	(1,344,915)	(36,321)	(999)

Deferred tax (Note 30):

Relating to origination and reversal of temporary differences:

Current year	(1,759,808)	1,269,907	-	-
Prior years	69,651	(61,207)	-	-
	(1,690,157)	1,208,700	-	-

Relating to crystallisation of deferred tax liability on

revaluation surplus of properties

	76,294	73,768	-	-
	(3,543,032)	(62,447)	(36,321)	(999)

The Group's and the Company's income tax rate is 24% for the year of assessment 2016 (2015: 25%).

The Budget 2017 announced on October 21, 2016 proposed a reduction in income tax rate by stages, based on a percentage increase in chargeable income as compared to the previous year of assessment with effect from years of assessment 2017 and 2018. Following the proposal, the applicable tax rates to be used for the measurement of any applicable deferred tax will be at the following rates:

Percentage of increase in chargeable income as compared to the immediate preceding year of assessment	Percentage point of reduction in tax rate	Tax rate after reduction %
Less than 5%	Nil	24
5% - 9.99%	1	23
10% - 14.99%	2	22
15% - 19.99%	3	21
20% and above	4	20

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



12. TAX EXPENSES (Cont'd)

The tax expenses for the year can be reconciled to the profit before tax as follows:

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before tax	25,267,784	19,251,343	6,306,158	2,453,235
Tax expenses calculated at 24% (2015: 25%)	(6,064,000)	(4,813,000)	(1,513,000)	(613,000)
Tax effects of:				
Utilisation of current and brought forward investment allowance	4,137,390	6,388,062	–	–
Expenses that are not deductible in determining taxable profit	(1,683,466)	(1,502,774)	(1,189,276)	(1,089,084)
Income that is not taxable in determining taxable profit	–	35,000	2,666,000	1,701,000
Prior years:				
Income tax	(2,607)	(108,528)	(45)	85
Deferred tax	69,651	(61,207)	–	–
Tax expenses recognised in profit or loss	(3,543,032)	(62,447)	(36,321)	(999)

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current tax assets				
Tax refund receivables	189,712	63,424	63,724	917
Current tax liabilities				
Income tax payables	635,744	445,040	–	–

As of December 31, 2016, a subsidiary has unutilised investment allowance of approximately RM92,284,000 (2015: RM88,332,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



13. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated as follows:

	The Group	
	2016 RM	2015 RM
Basic and diluted		
Profit for the year attributable to owners of the Company	<u>21,566,627</u>	<u>19,082,399</u>
Number of ordinary shares in issue as of January 1	707,472,000	500,472,000
Effects of:		
Capitalisation of amounts owing to directors	–	15,726,027
Conversion of Redeemable Convertible Preference Shares	–	66,816,438
Capitalisation from Musharakah Capital funding	88,472,459	–
Public issue	<u>59,576,503</u>	<u>–</u>
Weighted average number of ordinary shares in issue	<u>855,520,962</u>	<u>583,014,465</u>
	2016	2015
Basic and diluted earnings per ordinary share (sen)	<u>2.52</u>	<u>3.27</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



14. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold land - At cost RM	Leasehold land - At valuation RM	Buildings - At cost RM	Building - At valuation RM	Integrated transportation terminal - At cost RM	Integrated public transportation terminal - At valuation RM	Plant and machinery and skid tanks RM	Commercial vehicles RM	Motor vehicles and CCTV RM	Computer and software, renovation, office equipment, signboard and RM	Capital work-in-progress RM	Total RM
Cost/Valuation												
As of January 1, 2015	-	33,860,000	-	4,140,000	-	135,000,000	1,159,524	40,051,257	1,923,459	625,920	1,878,059	218,638,219
Additions	-	-	2,306,684	-	5,302,089	-	339,459	2,354,000	-	789,985	11,443,500	22,535,717
Write offs	-	-	-	-	-	-	-	(548,822)	-	-	-	(548,822)
Disposals	-	-	-	-	-	-	-	-	(119,935)	-	-	(119,935)
Reclassifications	-	-	883,059	-	995,000	-	-	-	-	-	(1,878,059)	-
As of December 31, 2015	-	33,860,000	3,189,743	4,140,000	6,297,089	135,000,000	1,498,983	41,856,435	1,803,524	1,415,905	11,443,500	240,505,179
Additions	1,296,344	-	-	-	13,236,068	-	374,011	11,862,000	19,991	428,425	3,133,835	30,350,674
Write offs	-	-	-	-	-	-	-	(105,804)	-	-	-	(105,804)
Reclassifications	-	-	-	-	1,800,000	-	-	-	-	-	(1,800,000)	-
As of December 31, 2016	1,296,344	33,860,000	3,189,743	4,140,000	21,333,157	135,000,000	1,872,994	53,612,631	1,823,515	1,844,330	12,777,335	270,750,049
Accumulated depreciation												
As of January 1, 2015	-	7,723	-	6,466	-	-	441,740	6,203,168	1,495,905	217,797	-	8,372,799
Charge for the year	-	422,165	33,733	153,759	81,913	2,833,158	174,224	2,734,162	197,274	114,642	-	6,745,030
Write offs	-	-	-	-	-	-	-	(548,812)	-	-	-	(548,812)
Disposals	-	-	-	-	-	-	-	-	(56,600)	-	-	(56,600)
As of December 31, 2015	-	429,888	33,733	160,225	81,913	2,833,158	615,964	8,388,518	1,636,579	332,439	-	14,512,417
Charge for the year	1,092	422,166	63,795	153,757	276,888	2,833,158	196,807	3,618,640	132,744	177,166	-	7,876,213
Write offs	-	-	-	-	-	-	-	(105,802)	-	-	-	(105,802)
As of December 31, 2016	1,092	852,054	97,528	313,982	358,801	5,666,316	812,771	11,901,356	1,769,323	509,605	-	22,282,828
Carrying amount												
As of December 31, 2015	-	33,430,112	3,156,010	3,979,775	6,215,176	132,166,842	883,019	33,467,917	166,945	1,083,466	11,443,500	225,992,762
As of December 31, 2016	1,295,252	33,007,946	3,092,215	3,826,018	20,974,356	129,333,684	1,060,223	41,711,275	54,192	1,334,725	12,777,335	248,467,221

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Company	Motor vehicle RM	Renovation RM	Total RM
Cost			
As of January 1, 2015	166,970	–	166,970
Additions	–	345,189	345,189
As of December 31, 2015/December 31, 2016	166,970	345,189	512,159
Accumulated depreciation			
As of January 1, 2015	153,056	–	153,056
Charge for the year	13,913	14,943	28,856
As of December 31, 2015	166,969	14,943	181,912
Charge for the year	–	34,519	34,519
As of December 31, 2016	166,969	49,462	216,431
Carrying amount			
As of December 31, 2015	1	330,246	330,247
As of December 31, 2016	1	295,727	295,728

The leasehold land, buildings and integrated public transportation terminal of the Group was revalued by the directors on December 31, 2014 and December 16, 2014 respectively based on valuation by independent qualified valuers using the "Open Market Value For Existing Use" and "Depreciated Replacement Cost" basis. The resulting revaluation surplus amounting to RM7,367,101 (net of deferred tax of RM2,326,505) has been credited to property revaluation reserve account.

The fair values of leasehold land were arrived based on analysis of recent transactions and the asking prices of similar properties in the same vicinity with adjustments made for differences in location, size and shape of the leasehold land, tenure, title restrictions, if any and other relevant characteristics. The fair values of buildings and integrated public transportation terminal were determined based on estimation made of the current new replacement cost and then allowing for depreciation. In estimating the fair values of the properties, the highest and best use of the properties is their current use.

Details of the Group's leasehold land, buildings and integrated public transportation terminal and information about the fair value hierarchy are as follows:

The Group	Fair Value		
	Level 1 RM	Level 2 RM	Level 3 RM
2016			
Leasehold land	–	33,860,000	–
Buildings	–	–	4,140,000
Integrated public transportation terminal	–	–	135,000,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	Fair Value		
	Level 1 RM	Level 2 RM	Level 3 RM
2015			
Leasehold land	–	33,860,000	–
Buildings	–	–	4,140,000
Integrated public transportation terminal	–	–	135,000,000

There were no transfers between Levels 1 and 2 during the year.

The historical cost, accumulated depreciation and the carrying amount of the revalued leasehold land and building, integrated public transportation terminal are as follows:

	The Group	
	2016 RM	2015 RM
Leasehold land:		
At cost	8,892,842	8,892,842
Less: Accumulated depreciation	(679,672)	(546,179)
Carrying amount	8,213,170	8,346,663
Buildings:		
At cost	2,904,836	2,904,836
Less: Accumulated depreciation	(480,970)	(391,248)
Carrying amount	2,423,866	2,513,588
Integrated public transportation terminal:		
At cost	137,904,055	137,904,055
Less: Accumulated depreciation	(11,139,268)	(8,381,190)
Carrying amount	126,764,787	129,522,865

The carrying amounts of certain commercial vehicles and motor vehicles of the Group acquired under hire-purchase arrangements are RM3 (2015: RM6,929,587).

The leasehold land, buildings, integrated public transportation terminal and certain capital work-in-progress of the Group with total carrying amount of RM190,234,217 (2015: RM180,747,915) are charged to a local licensed bank for banking facilities granted to the Group as mentioned in Note 28.

The Group owned commercial vehicles with a carrying amount of RM13,472,450 (2015: RM14,808,278) are registered under the names of respective permit holders who hold the commercial vehicles in trust on behalf of the Group. The Group has been granted the rights to use the Operators' Licences held by the permit holders to operate certain bus routes.

A motor vehicle with a carrying amount of RM1 (2015: RM3,961) is held in trust by a former director of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



15. INVESTMENT IN SUBSIDIARIES

	The Company	
	2016	2015
	RM	RM
Unquoted shares, at cost	65,772,347	65,772,347

Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Proportionate of ownership interest and voting power held by the Group		Principal Activities
		2016 %	2015 %	
Ipoh Link Sdn. Bhd.	Malaysia	100.00	100.00	Providing management services for bus operations.
Syarikat Sumber Manusia Sdn. Bhd.	Malaysia	100.00	100.00	Providing human resource management services.
CKS Labur Sdn. Bhd.	Malaysia	100.00	100.00	Petrol station operator.
Terminal Urus Sdn. Bhd.	Malaysia	100.00	100.00	Bus terminal management.
The Combined Bus Services Sdn. Bhd.	Malaysia	99.90	99.90	Operators of bus terminal, petrol station and public transportation and a service provider for distributing petroleum products.
Star Kensington Sdn. Bhd.	Malaysia	95.71	95.71	Petrol station operator.
CKS Bumi Sdn. Bhd.	Malaysia	69.99	69.99	Bus operator, operator of petrol station and providing management services.

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Industry	Place of incorporation and operation	Number of wholly owned subsidiaries	
		2016	2015
Operations of:	Malaysia		
Integrated public transportation terminal		1	1
Public transport		2	2
Petrol stations		1	1

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



15. INVESTMENT IN SUBSIDIARIES (Cont'd)

Industry	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2016	2015

Operations of integrated public transportation terminal, public transport and petrol stations

Malaysia 3 3

The accumulated non-controlling interests as of December 31, 2016 of RM742,787 (2015: RM595,921) is attributable to The Combined Bus Services Sdn. Bhd., Star Kensington Sdn. Bhd. and CKS Bumi Sdn. Bhd. respectively and is considered not material to the Group.

16. GOODWILL ON CONSOLIDATION

	The Group	
	2016	2015
	RM	RM

At cost:

At beginning and at end of year 1,622,631 1,622,631

Good will acquired in a business combination is allocated, at acquisition date, to the cash-generating units ("CGUs") that are expected to benefit from the business combinations. The Group considers each subsidiary acquired as a single CGU and the carrying amounts of goodwill were allocated to the respective subsidiaries.

Goodwill on consolidation arose from the acquisition of four (4) direct subsidiaries, namely Ipoh Link Sdn. Bhd., CKS Bumi Sdn. Bhd., CKS Labur Sdn. Bhd. and Terminal Urus Sdn. Bhd. because the consideration paid for the combination inclusion of a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the subsidiaries. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is deductible for tax purposes.

The recoverable amounts of the CGUs were based on value-in-use calculations. The calculations were determined using projected cash flows for a five-year period and by extrapolation using the growth rate based on historical experience, management's assessment of future trends and expectation of market development in the respective industries.

The key assumptions used in the preparation of the projected cash flows are as follows:

- Pre-tax discount rates of 7.85% (2015: 7.85%);
- There will be no material changes in the structure and principal activities of the subsidiaries;
- Subsidiaries currently operating petrol stations will continue to operate under respective agreements entered with fuel producers for the duration of the forecast;
- Projected growth rate of 5.0% (2015: 5.0%) per annum;
- There will not be any significant changes in the prices and supply of raw materials, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the Group; and
- Receivables and payables turnover period is estimated to be consistent with the current financial year.

During the financial year, the Group performed goodwill impairment testing and no impairment loss is required to be recognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



17. INVENTORIES

	The Group	
	2016	2015
	RM	RM
Trading goods:		
Petrol and diesel fuel	493,654	634,863
Groceries	203,373	170,040
Spare parts	197,886	259,561
	894,913	1,064,464

18. TRADE AND OTHER RECEIVABLES

	The Group	
	2016	2015
	RM	RM
Trade receivables	19,290,499	11,403,708
Other receivables	4,402,206	468,093
	23,692,705	11,871,801

Trade receivables of the Group comprised amounts receivable for the sale of goods and services rendered. Other receivables comprised mainly advance payment of professional fee for the construction of an integrated public transportation terminal, Goods and Services Tax refundable and rental of space receivable. Credit period granted for rental of space was 90 days (2015: Nil).

The trade transactions of the Group are on cash terms or credit period which ranged from 60 to 120 days (2015: 30 to 120 days).

Included in trade receivables of the Group are receivables with a total carrying amount of RM263,047 (2015: Nil) which were past due at the end of the reporting period for which the Group had not provided for impairment loss. The Group did not hold any collateral over these balances nor did it have a legal right to offset against any amounts owed by the Group to the counterparties.

Ageing of trade receivable which was past due but not impaired at the end of the reporting period was as follows:

	The Group	
	2016	2015
	RM	RM
Number of days past due:		
1 - 30 days	11,724	—
31 - 60 days	36,433	—
61 - 90 days	17,797	—
91 - 120 days	141,356	—
121 - 150 days	29,097	—
More than 150 days	26,640	—
	263,047	—

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



18. TRADE AND OTHER RECEIVABLES (Cont'd)

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed regularly by management. The Group has not provided for impairment loss on trade receivable accounts that are past due as there has not been a significant change in credit quality and the amounts are still considered recoverable.

19. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The amount owing by subsidiaries arose mainly from advances granted which are unsecured, interest-free and are repayable upon demand.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiaries are as follows:

Names of related parties	Relationships
CKS Bumi Sdn. Bhd.)
CKS Labur Sdn. Bhd.)
Ipoh Link Sdn. Bhd.) Subsidiaries of the Company.
Star Kensington Sdn. Bhd.)
Syarikat Sumber Manusia Sdn. Bhd.)
The Combined Bus Services Sdn. Bhd.)
Terminal Urus Sdn. Bhd.)
Bemban Jaya Sdn. Bhd.) A company in which a close family member of) certain directors of the Company is a director and) has substantial financial interests.
Datin Cheah Yoke Kuan) Spouse of Dato' Cheong Peak Sooi

Related party transactions

Transactions with related companies and related parties are as follows:

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Subsidiary				
Dividends received/receivable	—	—	11,108,742	6,665,245
Related parties				
Rental of premises paid/payable	48,000	32,000	48,000	32,000
Contract works paid/payable	—	1,071,064	—	—

Compensation of key management personnel

The remuneration of directors is disclosed in Note 10. The remuneration of other members of key management personnel of the Group and of the Company during the financial year are as follows:

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Salaries, allowances and bonuses	250,721	215,817	99,000	72,000
EPF contributions	28,437	24,242	11,900	8,640
	279,158	240,059	110,900	80,640

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



20. OTHER ASSETS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Deposits paid for:				
Construction of integrated public transportation terminal	25,762,519	2,500,000	–	–
Purchase of commercial vehicles	1,626,900	3,923,700	–	–
Refundable deposits	565,093	166,637	11,500	7,000
Prepaid expenses	1,748,165	584,739	112,481	193,674
	<u>29,702,677</u>	<u>7,175,076</u>	<u>123,981</u>	<u>200,674</u>

21. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Short-term deposit	400,517	–	–	–
Fixed deposits with licensed banks	11,123,101	2,655,525	4,084,637	–
Cash and bank balances	21,638,759	9,682,333	9,721,919	1,237,261
	<u>33,162,377</u>	<u>12,337,858</u>	<u>13,806,556</u>	<u>1,237,261</u>

The short-term deposit of the Group has a maturity period of 1 day (2015: Nil). The effective interest rate of the short-term deposit was at 1.88% (2015: Nil) per annum.

The fixed deposits of the Group and of the Company have maturity periods ranging from 30 days to 450 days (2015: 30 days to 450 days) and 60 days to 365 days (2015: Nil) respectively. The effective interest rates of fixed deposits ranged from 2.95% to 3.70% (2015: 3.15% to 3.80%) and 3.10% to 3.45% (2015: Nil) per annum.

Fixed deposits of the Group and of the Company with a carrying amount of RM6,091,677 (2015: RM505,021) and RM4,084,637 (2015: Nil) respectively have been pledged to local licensed banks as security for banking facilities granted to the Group and the Company as mentioned in Note 28.

In 2015, bank balances of RM1,206,457 of the Company had been pledged to a local licensed bank as security for Musharakah financing arrangement granted to the Company as mentioned in Note 28. A bank balance of RM150,000 was also restricted for the repayment of interest expenses of Musharakah financing arrangement.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



22. SHARE CAPITAL

	The Group and The Company			
	2016 Number of ordinary shares	2015 Number of ordinary shares	2016 RM	2015 RM
Authorised:				
Ordinary shares of RM0.10 each:				
At beginning of year	5,000,000,000	3,500,000,000	500,000,000	350,000,000
Reclassified from 6.5% RCPS (Note 23)	–	1,500,000,000	–	150,000,000
At end of year	<u>5,000,000,000</u>	<u>5,000,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid:				
Ordinary shares of RM0.10 each:				
At beginning of year	707,472,000	500,472,000	70,747,200	50,047,200
Capitalisation of Musharakah Capital funding	190,476,000	–	19,047,600	–
Issued during the year	245,000,000	35,000,000	24,500,000	3,500,000
Converted from 6.5% RCPS (Note 23)	–	172,000,000	–	17,200,000
At end of year	<u>1,142,948,000</u>	<u>707,472,000</u>	<u>114,294,800</u>	<u>70,747,200</u>

As approved by the shareholders and in conjunction with the listing and quotation of the entire enlarged issued and paid-up share capital of the Company on the ACE Market of Bursa Malaysia, the issued and paid-up share capital of the Company was increased from RM70,747,200 consisting of 707,472,000 ordinary shares of RM0.10 each to RM114,294,800 consisting of 1,142,948,000 ordinary shares of RM0.10 each by way of:

- (i) capitalisation of Musharakah Capital funding totalling RM20,000,000 into 190,476,000 ordinary shares of RM0.10 each at the conversion rate of RM0.105 per ordinary share pursuant to the Investment Agreement through a Members' Resolution dated July 15, 2016;
- (ii) public issue of 58,000,000 ordinary shares of RM0.10 each at an issue price of RM0.15 per ordinary shares to Malaysian Public through a Members' Resolution dated September 20, 2016; and
- (iii) private placement of 187,000,000 ordinary shares of RM0.10 each at an issue price of RM0.15 per ordinary shares to selected investors through a Members' Resolution dated September 20, 2016.

The resulting premium arising from the shares capitalised from (i) above of RM952,400 and shares issued from (ii) and (iii) above of RM12,250,000 respectively have been credited to the share premium account as disclosed in Note 24.

The new shares rank pari passu with the existing ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



23. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	The Group and The Company			
	2016 Number of ordinary	2015 Number of ordinary	2016 RM	2015 RM
Authorised:				
6.5% RCPS:				
At beginning of year	-	1,500,000,000	-	150,000,000
Reclassified to ordinary shares (Note 22)	-	(1,500,000,000)	-	(150,000,000)
At end of year	-	-	-	-
Issued and fully paid:				
6.5% RCPS				
At beginning of year	-	172,000,000	-	17,200,000
Converted during the year (Note 22)	-	(172,000,000)	-	(17,200,000)
At end of year	-	-	-	-

In 2015, the RCPS were fully converted into ordinary shares of RM0.10 each as disclosed in Note 22. An effective interest rate of 9.35% was used in determining the gain on conversion at the respective conversion dates.

24. RESERVES

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Non-distributable reserves:				
Share premium	13,202,400	-	13,202,400	-
Property revaluation reserve	12,927,582	12,927,582	-	-
	26,129,982	12,927,582	13,202,400	-

Share premium

	The Group and The Company	
	2016 RM	2015 RM
At beginning of year	-	-
Capitalisation of Musharakah funding	952,400	-
Issue of shares	12,250,000	-
At end of year	13,202,400	-

The share premium arose from capitalisation of Musharakah Capital funding, public issue and private placement are as disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



24. RESERVES (Cont'd)

Property revaluation reserve

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
At beginning and at end of year	<u>12,927,582</u>	<u>12,927,582</u>	<u>-</u>	<u>-</u>

The property revaluation reserve represents surplus arising from revaluation of the subsidiaries' leasehold land, integrated public transportation terminal and building. When the revalued leasehold land, integrated public transportation terminal and building are sold, the portion of the property revaluation reserves that relate to the disposed assets are effectively realised, and are transferred directly to retaining earnings.

25. RETAINED EARNINGS

The entire retained earnings of the Company as of December 31, 2016 are available for distribution as single tier dividends to the shareholders of the Company.

26. NON-CONTROLLING INTERESTS

	The Group	
	2016	2015
	RM	RM
At beginning of year	595,921	496,181
Share of profit for the year	158,125	106,497
Dividend received by non-controlling interests	(11,259)	(6,755)
Disposal of shares to the Group	<u>-</u>	<u>(2)</u>
At end of year	<u>742,787</u>	<u>595,921</u>

27. OBLIGATIONS UNDER HIRE-PURCHASE ARRANGEMENTS

The Group	Minimum hire-purchase payments		Present value of minimum hire-purchase payments	
	2016	2015	2016	2015
	RM	RM	RM	RM
Amounts payable under hire-purchase arrangements:				
Within one year	94,452	1,355,254	88,512	1,196,759
In the second to fifth year inclusive	<u>88,862</u>	<u>1,938,162</u>	<u>86,920</u>	<u>1,842,531</u>
	183,314	3,293,416	175,432	3,039,290
Less: Future finance charges	<u>(7,882)</u>	<u>(254,126)</u>	<u>-</u>	<u>-</u>
Present value of hire-purchase obligations	<u>175,432</u>	<u>3,039,290</u>	<u>175,432</u>	<u>3,039,290</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



27. OBLIGATIONS UNDER HIRE-PURCHASE ARRANGEMENTS (Cont'd)

The Group	Present value of minimum hire-purchase payments	
	2016	2015
	RM	RM
Less: Amount due within 12 months (shown under current liabilities)	(88,512)	(1,196,759)
Non-current portion	86,920	1,842,531

The non-current portion is repayable as follows:

	The Group	
	2016	2015
	RM	RM
Financial years ending December 31:		
2017	–	1,204,696
2018	84,701	447,054
2019	2,219	190,781
	86,920	1,842,531

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangements. The hire-purchase terms ranged from 4 to 9 years (2015: 4 to 9 years). For the financial year ended December 31, 2016, the average effective borrowing rates ranged from 4.47% to 8.29% (2015: 4.47% to 8.29%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's obligations under hire-purchase are secured by the assets under hire-purchase arrangements.

28. BORROWINGS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Secured:				
Al Bai' Bithaman Ajil facilities ("BBA")	81,425,091	76,314,679	–	–
Bank overdrafts	22,184,520	16,939,322	12,811,320	6,980,171
Muamalat Term financing arrangement	10,882,684	–	8,483,957	–
Term loans	3,275,771	4,085,076	–	–
Commodity Murabahah Term financing arrangement	2,500,000	–	2,500,000	–
Musharakah financing arrangement	–	20,000,000	–	20,000,000
	120,268,066	117,339,077	23,795,277	26,980,171

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



28. BORROWINGS (Cont'd)

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Less: Amount due within 12 months (shown under current liabilities)	(31,036,850)	(20,743,412)	(16,227,663)	(6,980,171)
Non-current portion	89,231,216	96,595,665	7,567,614	20,000,000

The non-current portion is repayable as follows:

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
More than 1 year but not later than 5 years	29,256,469	33,590,450	6,726,326	20,000,000
Over 5 years	59,974,747	63,005,215	841,288	–
	89,231,216	96,595,665	7,567,614	20,000,000

The Group's term loans and other banking facilities with licensed banks amounting to RM132,297,289 (2015: RM144,654,000) are secured by:

- First legal charge over the leasehold land, buildings, integrated public transportation terminal and certain work-in-progress of the subsidiaries as mentioned in Note 14;
- Pledge of fixed deposits of subsidiaries and of the Company as mentioned in Note 21, on lien against fixed deposits of RM13.9 million inclusive capitalised interest of a director of the Company and fixed deposits of RM100,000 of certain directors of the Company;
- Debenture covering fixed and floating assets of a subsidiary;
- Open assignment over rental proceeds to be derived from the integrated public transportation terminal;
- Corporate guarantee by the Company, a third party and a related party;
- Guaranteed jointly and severally by certain directors of the Company and certain directors of the subsidiaries;
- Pledge of bank balances of the Company as mentioned in Note 21; and
- Pledge of fixed deposits of certain directors of the Company and a director of a subsidiary.

The Group has three (3) BBA facilities as follows:

- a twenty (20) year BBA of RM20,000,000 (2015: RM20,000,000) which is repayable by 240 monthly instalments. The monthly instalments vary according to the Base Financing Rate ("BFR") which shall not exceed the bank selling price. The latest monthly instalment using current BFR is RM138,710. The facility carries a profit margin of 5.65% (2015: 5.85%);
- a twenty (20) year BBA of RM60,000,000 (2015: RM60,000,000) which is repayable by 240 monthly instalments. The instalments payable every 3 months will vary according to the cost of funds at that point of time. The facility carries an average profit margin of 5.19% (2015: 5.33%); and
- a ten (10) year BBA of RM17,226,000 (2015: RM17,226,000) which is repayable by monthly instalments of RM80,388 commencing February 28, 2017. The repayment amount will be revised upon the full drawdown of the facility with a total of 120 monthly instalments. The facility carries a profit margin of 5.65% (2015: 5.85%). As of the end of the reporting period, RM9,187,200 (2015: RM1,531,200) of the facility has been drawdown by the subsidiary.



28. BORROWINGS (Cont'd)

The Group has seven (7) term loans as follows:

- (a) a twenty (20) year term loan of RM525,000 (2015: RM525,000) which is repayable by 60 monthly instalments of RM3,321 and a remaining 180 monthly instalments of RM3,582 commencing November 15, 2009;
- (b) a twenty (20) year term loan of RM150,000 (2015: RM150,000) which is repayable by 60 monthly instalments of RM949 and a remaining 180 monthly instalments of RM1,023 commencing November 15, 2009;
- (c) a ten (10) year term loan of RM830,000 (2015: RM830,000) which is repayable by 120 monthly instalments of RM9,681 commencing October 2012. Commencing October 2014, the monthly instalments were revised to RM9,767. The term loan was fully settled during the year;
- (d) a ten (10) year term loan of RM815,000 (2015: RM815,000) which is repayable by 120 monthly instalments of RM9,717 commencing April 2014;
- (e) a fifteen (15) year term loan of RM570,000 (2015: RM570,000) which is repayable by 180 monthly instalments of RM4,981 commencing November 2010;
- (f) a fifteen (15) year term loan of RM1,000,000 (2015: RM1,000,000) which is repayable by 60 monthly instalments of RM7,650 commencing from November 2010 and 120 monthly instalments of RM7,757 commencing November 2015; and
- (g) a fifteen (15) year term loan of RM1,088,000 (2015: RM1,088,000) which is repayable by 180 monthly instalments of RM8,268 commencing June 2012.

The Group has two (2) Muamalat Term financing arrangement and one (1) Commodity Murabahah Term financing arrangement as follows:

- (a) a five (5) year Muamalat Term financing arrangement of RM2,700,000 (2015: Nil) which is repayable by 60 monthly instalments. The monthly instalments vary according to the Base Financing Rate ("BFR"). The latest monthly instalment using current BFR is RM55,800. The facility carries a profit margin of 8.50% (2015: Nil);
- (b) a three (3) year Muamalat Term financing arrangement of RM10,000,000 (2015: Nil) which is repayable by first quarter instalment of RM926,313 commencing from August 2016 and for the remaining 11 quarterly instalment of RM924,952 commencing from November 2016. The facility carries a profit margin of 6.85% (2015: Nil); and
- (c) a seven (7) year Commodity Murabahah Term financing arrangement of RM2,500,000 (2015: Nil) which is repayable by 84 monthly instalment of RM38,779 commencing from January 2017. The facility carries a profit margin of 7.60% (2015: Nil).

The Company's Musharakah financing arrangement, Muamalat Term financing arrangement, Commodity Murabahah Term financing arrangement and bank overdraft facilities with local licensed banks amounting to RM26,000,000 (2015: RM30,000,000) are secured by:

- (i) Pledge of bank balances of the Company as mentioned in Note 21;
- (ii) Pledge of fixed deposits of certain directors of the Company;
- (iii) Guaranteed jointly and severally by certain directors of the Company and a director of a subsidiary; and
- (iv) Pledge of fixed deposits and bank balances of the Company as mentioned in Note 21.

In the previous financial year, the Group's and the Company's Musharakah financing arrangement was additionally secured by a charge over 51,443,711 number of ordinary shares of a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



28. BORROWINGS (Cont'd)

The Company has one (1) Muamalat Term financing arrangement and one (1) Commodity Murabahah Term financing arrangement as follows:

- (a) a three (3) year Muamalat Term financing arrangement of RM10,000,000 (2015: Nil) which is repayable by first quarter instalment of RM926,313 commencing from August 2016 and for the remaining 11 quarterly instalments of RM924,952 commencing from November 2016. The facility carries a profit margin of 6.85% (2015: Nil); and
- (b) a seven (7) year Commodity Murabahah Term financing arrangement of RM2,500,000 (2015: Nil) which is repayable by 84 monthly instalment of RM38,779 commencing from January 2017. The facility carries a profit margin of 7.60% (2015: Nil).

The Company had a nominal value Musharakah financing arrangement of RM20,000,000 under exchange investment basis granted by a local Islamic bank.

The salient features of the Musharakah financing arrangement are as follows:

- (a) The profit rate of the facility carries a rate of 3.00% per annum payable semi-annually on an arrears basis.
- (b) The financing arrangement shall be settled by the Company as per the settlement mode described below:
 - (i) Upon Exchangeable Event - IPO Event: Upon the occurrence of the Exchangeable Event, the relevant Exercise Price is to be settled by the Company to the bank either via cash payment on a lump sum basis, following the exercise of the Purchase Undertaking, or if the bank opts to exchange the relevant Exercise Price into the Exchange Shares at Exchange Price, by the Exchange Shares.
 - (ii) Scheduled Dissolution Date: On the Schedule Dissolution Date, the relevant Exercise Price is to be settled by the Company to the bank via cash payment on a lump sum basis, following the exercise of the Sale Undertaking.
 - (iii) On the Dissolution Declaration Date: On the Dissolution Declaration Date, the relevant Exercise Price is to be settled by the Company to the bank via cash payment on a lump sum basis, following the exercise of the Purchase Undertaking.

On July 15, 2016, the Company's Musharakah financing arrangement of RM20,000,000 was converted into 190,476,000 ordinary shares of RM0.10 each at the conversion rate of RM0.105 per share pursuant to the Investment Agreement as disclosed in Note 22.

The effective interest rates per annum are as follows:

	The Group		The Company	
	2016	2015	2016	2015
	%	%	%	%
Term loans	3.27 - 7.63	2.62 - 7.85	—	—
Bank overdrafts	4.50 - 8.75	4.50 - 8.10	7.85 - 8.00	8.10

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



29. DEFERRED CAPITAL GRANT

Deferred capital grant is in respect of a government grant provided to a subsidiary for the construction of the integrated public transportation terminal. The grant is recognised in profit or loss on a systematic basis over the useful life of the integrated public transportation terminal, which is 50 years.

	The Group	
	2016 RM	2015 RM
Deferred capital grant	9,181,600	9,381,200
Less: Amount due within 12 months (shown under current liabilities)	(199,600)	(199,600)
Non-current portion	<u>8,982,000</u>	<u>9,181,600</u>

30. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax balances are presented in the statements of financial position as follows:

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Deferred tax assets	5,594,365	7,231,230	–	–
Deferred tax liabilities	(1,328,028)	(1,351,030)	(5,500)	(5,500)
	<u>4,266,337</u>	<u>5,880,200</u>	<u>(5,500)</u>	<u>(5,500)</u>

The Group 2016	At beginning of year RM	Recognised in profit or loss (Note 12) RM	At end of year RM
Deferred tax assets			
Property, plant and equipment	–	892	892
Unutilised investment allowance	<u>21,199,658</u>	<u>948,568</u>	<u>22,148,226</u>
	<u>21,199,658</u>	<u>949,460</u>	<u>22,149,118</u>
Deferred tax liabilities			
Property, plant and equipment	(10,775,479)	(2,639,617)	(13,415,096)
Revaluation surplus on properties	<u>(4,543,979)</u>	<u>76,294</u>	<u>(4,467,685)</u>
	<u>(15,319,458)</u>	<u>(2,563,323)</u>	<u>(17,882,781)</u>
Net deferred tax assets	<u>5,880,200</u>		<u>4,266,337</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



30. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

The Group 2015	At beginning of year RM	Recognised in profit or loss (Note 12) RM	At end of year RM
Deferred tax assets			
Unutilised tax losses and unabsorbed tax capital allowances	1,268,825	(1,268,825)	-
Unutilised investment allowance	16,970,815	4,228,843	21,199,658
	<u>18,239,640</u>	<u>2,960,018</u>	<u>21,199,658</u>
Deferred tax liabilities			
Property, plant and equipment	(9,024,161)	(1,751,318)	(10,775,479)
Revaluation surplus on properties	(4,617,747)	73,768	(4,543,979)
	<u>(13,641,908)</u>	<u>(1,677,550)</u>	<u>(15,319,458)</u>
Net deferred tax assets	<u>4,597,732</u>		<u>5,880,200</u>

	The Company	
	2016	2015
	RM	RM

Deferred tax liability

At beginning and at end of year	<u>(5,500)</u>	<u>(5,500)</u>
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The deferred tax liability of the Company is in respect of tax effect of temporary differences arising from property, plant and equipment.

31. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Trade payables	535,619	190,707	-	-
Other payables	<u>2,250,211</u>	<u>2,749,790</u>	<u>64,536</u>	<u>131,599</u>
	<u>2,785,830</u>	<u>2,940,497</u>	<u>64,536</u>	<u>131,599</u>

Trade and other payables of the Group and of the Company comprised amounts outstanding for trade purchases and ongoing costs. The terms granted to the Group for trade purchases were on cash terms or credit period ranged from 30 to 90 days (2015: 30 to 90 days). These amounts are non-interest bearing. The Group and the Company have financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

The amounts owing to other payables of the Group comprised mainly of outstanding payable for the purchase of commercial vehicles (2015: Goods and Services Tax payable and advance payment received on rental of promotional spaces).

The amount owing to other payables are unsecured, interest-free and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



32. OTHER LIABILITIES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Refundable deposits	4,677,477	4,467,342	–	–
Accrued expenses	2,787,765	1,358,898	1,948,233	216,359
	7,465,242	5,826,240	1,948,233	216,359

Deposits received of the Group comprised mainly refundable deposits received from certain trade receivables of the Group as security deposits for trade transactions. Accrued expenses of the Group and of the Company comprised mainly dividend payable.

33. DIVIDENDS

	The Group and The Company	
	2016	2015
	RM	RM
Interim dividends paid:		
First interim: 3.25%, single tier (2015: 2.50%, single tier)	2,299,284	1,251,180
Second interim: 1.50%, single tier (2015: 2.50%, single tier)	1,714,422	1,338,680
	4,013,706	2,589,860

A first single tier interim dividend of 3.25%, amounting to RM2,299,284 declared in respect of ordinary shares for the current financial year, was paid by the Company on March 15, 2016.

A second single tier interim dividend of 1.50%, amounting to RM1,714,422 declared in respect of ordinary shares for the current financial year on December 28, 2016, was paid on January 24, 2017.

Net dividend per share during the year is 0.47 sen (2015: 0.44 sen).

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Financial assets				
Loans and receivables:				
Trade and other receivables	22,620,457	11,713,123	–	–
Amount owing by subsidiaries	–	–	75,393,132	30,427,974
Refundable deposits	565,093	2,666,637	11,500	7,000
Fixed deposits, cash and bank balances	33,162,377	12,337,858	13,806,556	1,237,261

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

Categories of financial instruments (Cont'd)

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Financial liabilities				
Other financial liabilities:				
Trade and other payables	2,780,573	2,326,711	64,536	131,599
Obligations under				
hire-purchase arrangements	175,432	3,039,290	–	–
Borrowings	120,268,066	117,339,077	23,795,277	26,980,171
Other liabilities	7,465,242	5,826,240	1,948,233	216,359

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including market risk, credit risk, liquidity risk and cash flow risk and capital risk. The principal objective of the Group and of the Company is to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

(a) Market risk management

The Group and the Company are exposed primarily to the risks of changes in interest rates.

There has been no change to the Group's and the Company's exposure to market risks or the manner in which these risks are managed and measured.

Interest rate risk management

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 and the Company finance their operations by a mixture of internal funds, bank and other borrowings. The Group and the Company regularly review the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration of the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group and of the Company is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The details of the Group's and the Company's borrowings are as disclosed in Note 28.

Interest rate sensitivity analysis

For illustration purposes, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. If the annual effective interest rates and profit margins increase/decrease by 50 basis points (2015: 50 basis points) for the respective borrowings with all other variable including tax rate being held constant, the profit net of tax of the Group and of the Company will be lower/higher by RM457,019 and RM90,422 (2015: RM365,085 and RM26,175) respectively.



34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Market risk management (Cont'd)

Interest rate risk management (Cont'd)

Interest rate sensitivity analysis (Cont'd)

The assumed movement in the basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure of the Group and of the Company to credit risk arises principally from its receivables and other financial assets while the exposure of the Company to credit risk arises from its intercompany balances.

At the end of the reporting period, the maximum exposure to credit risks is represented by their respective carrying amounts in the statements of financial position.

Receivables

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

As the Group does not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

The ageing of trade receivables that were past due and/or impaired is disclosed in Note 18.

At the end of the reporting period, credit risk of the Group is concentrated on four (2015: three) receivables who accounted for approximately 75% (2015: 71%) of the total receivable balances. These trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 210 days, which are deemed to have higher credit risk, are monitored individually.

For other receivables, management does not foresee any credit risk due to the nature of other receivables which comprised mainly of advance payment of professional fee for the construction of integrated public transportation terminal, Goods and Services Tax refundable and rental of space receivable.

Rental of space receivable is maintained with the credit period of 90 days (2015: Nil) given.

Intercompany Balances

The Company provided unsecured advances to its subsidiaries. There is no fixed repayment term imposed on intercompany balances as the credit risk is managed on a Group basis by the management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries is minimal.

At the end of the financial period, there was no indication that the balances due from subsidiaries are not recoverable.



34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk management (Cont'd)

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks in respect of credit facilities granted to subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM90,756,941 (2015: RM86,203,227) representing the outstanding balance of credit facilities of subsidiaries in which financial guarantees are given by the Company as of the end of the reporting period.

At the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

The financial guarantees have not been recognised in profit or loss as their fair values on initial recognition are insignificant.

Other Financial Assets

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity and cash flow risks management

Ultimate responsibility for liquidity and cash flow risks management rests with the Board of Directors, which has built an appropriate liquidity and cash flow risks management framework for the management of the short, medium and long-term funding and liquidity management requirements of the Group and of the Company. The Group and the Company manage liquidity and cash flow risks by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and financial liabilities.

The Group and the Company expect that the cash generated from its operations, its existing credit facilities and the trade terms provided by its suppliers will be sufficient to meet the Group's and the Company's currently anticipated capital expenditure and working capital needs for at least the next 12 months. The Group and the Company may consider opportunities to obtain additional funds to support its working capital requirements and capital expenditures, or may seek to raise additional funds through equity financing.

The Group and the Company have credit facilities of approximately RM12,865,000 and RM689,000 (2015: RM20,566,000 and RM3,020,000) respectively of which are unused at the end of the reporting period. The Group and the Company expect to meet their financial obligations from their operating cash flows and proceeds from maturing financial assets.

The maturity profile of the Group's and the Company's non-derivative financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted cash flows of the respective financial assets/liabilities representing the earliest date on which the Group and the Company are entitled to receive/required to pay, are as follows:

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks management (Cont'd)

The Group 2016	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Trade and other receivables	22,620,457	–	–	22,620,457
Refundable deposits	565,093	–	–	565,093
Fixed deposits, cash and bank balances	33,552,425	–	–	33,552,425
Total undiscounted non-derivatives financial assets	56,737,975	–	–	56,737,975
Non-derivative financial liabilities:				
Trade and other payables	2,780,573	–	–	2,780,573
Obligations under hire-purchase arrangements	94,452	88,862	–	183,314
Borrowings	38,055,682	45,164,625	82,028,184	165,248,491
Other liabilities	7,465,242	–	–	7,465,242
Total undiscounted non-derivatives financial liabilities	48,395,949	45,253,487	82,028,184	175,677,620
Net undiscounted non-derivatives financial assets/(liabilities)	8,342,026	(45,253,487)	(82,028,184)	(118,939,645)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks management (Cont'd)

The Group 2015	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Trade and other receivables	11,713,123	–	–	11,713,123
Refundable deposits	2,666,637	–	–	2,666,637
Fixed deposits, cash and bank balances	<u>12,399,700</u>	<u>–</u>	<u>–</u>	<u>12,399,700</u>
Total undiscounted non-derivatives financial assets	<u>26,779,460</u>	<u>–</u>	<u>–</u>	<u>26,779,460</u>
Non-derivative financial liabilities:				
Trade and other payables	2,326,711	–	–	2,326,711
Obligations under hire-purchase arrangements	1,355,254	1,938,162	–	3,293,416
Borrowings	25,516,293	58,640,877	101,947,508	186,104,678
Other liabilities	<u>5,826,240</u>	<u>–</u>	<u>–</u>	<u>5,826,240</u>
Total undiscounted non-derivatives financial liabilities	<u>35,024,498</u>	<u>60,579,039</u>	<u>101,947,508</u>	<u>197,551,045</u>
Net undiscounted non-derivatives financial liabilities	<u>(8,245,038)</u>	<u>(60,579,039)</u>	<u>(101,947,508)</u>	<u>(170,771,585)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks management (Cont'd)

The Company 2016	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Amount owing by subsidiaries	75,393,132	–	–	75,393,132
Refundable deposits	11,500	–	–	11,500
Fixed deposits, cash and bank balances	13,937,243	–	–	13,937,243
Total undiscounted non-derivatives financial assets	89,341,875	–	–	89,341,875
Non-derivative financial liabilities:				
Trade and other payables	64,536	–	–	64,536
Borrowings	17,996,904	7,411,105	930,695	26,338,704
Financial guarantee facilities	90,756,941	–	–	90,756,941
Other liabilities	1,948,233	–	–	1,948,233
Total undiscounted non-derivatives financial liabilities	110,766,614	7,411,105	930,695	119,108,414
Net undiscounted non-derivatives financial liabilities	(21,424,739)	(7,411,105)	(930,695)	(29,766,539)
The Company 2015				
Non-derivative financial assets:				
Amount owing by subsidiaries	30,427,974	–	–	30,427,974
Refundable deposits	7,000	–	–	7,000
Fixed deposits, cash and bank balances	1,237,261	–	–	1,237,261
Total undiscounted non-derivatives financial assets	31,672,235	–	–	31,672,235
Non-derivative financial liabilities:				
Trade and other payables	131,599	–	–	131,599
Borrowings	7,580,171	20,450,000	–	28,030,171
Financial guarantee facilities	86,203,227	–	–	86,203,227
Other liabilities	216,359	–	–	216,359
Total undiscounted non-derivatives financial liabilities	94,131,356	20,450,000	–	114,581,356
Net undiscounted non-derivatives financial liabilities	(62,459,121)	(20,450,000)	–	(82,909,121)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2015.

The capital structure of the Group and of the Company consists of net debt and equity of the Group and of the Company.

Gearing ratio

The debts to equity ratios as of the end of the reporting period were as follows:

	Note	The Group		The Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Obligations under hire-purchase arrangements	27	175,432	3,039,290	–	–
Borrowings	28	120,268,066	117,339,077	23,795,277	26,980,171
Less: Fixed deposits, cash and bank balances	21	(33,162,377)	(12,337,858)	(13,806,556)	(1,237,261)
Net debts		<u>87,281,121</u>	<u>108,040,509</u>	<u>9,988,721</u>	<u>25,742,910</u>
Total equity attributable to owners of the Company		<u>200,743,872</u>	<u>126,440,951</u>	<u>129,641,922</u>	<u>70,635,791</u>
Debts to equity ratio		<u>0.43</u>	<u>0.85</u>	<u>0.08</u>	<u>0.36</u>

Fair Values of Financial Instruments

The carrying amounts of short-term financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of obligations under hire-purchase arrangements of the Group are included in Level 2 category of the fair value hierarchy in accordance with MFRS 7 *Financial Instruments: Disclosure* and have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase arrangements and approximate their carrying amounts.

The fair values of Al Bai' Bithaman Ajil facilities, Muamalat Term financing arrangement, term loans, Commodity Murabahah Term financing arrangement and Musharakah financing arrangement are included in the Level 2 category of fair value hierarchy in accordance with MFRS 7 *Financial Instruments: Disclosure* and have been determined using the present value of future cash flows estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between the fair values and carrying values of these liabilities as of the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



35. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash purchases	26,522,674	22,235,717	–	345,189
Deposit paid	2,296,800	–	–	–
Other payables	1,531,200	–	–	–
Accrued expenses	–	300,000	–	–
	30,350,674	22,535,717	–	345,189

(b) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include fixed deposits which are not pledged with maturities of three months or less from the date of acquisition, cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Short-term deposit	400,517	–	–	–
Fixed deposits with licensed banks	11,123,101	2,655,525	4,084,637	–
Cash and bank balances	21,638,759	9,682,333	9,721,919	1,237,261
	33,162,377	12,337,858	13,806,556	1,237,261
Less: Fixed deposits pledged to licensed banks	(6,091,677)	(505,021)	(4,084,637)	–
Fixed deposits with licensed banks not pledged but with maturities more than three (3) months	(5,031,424)	(647,109)	–	–
	22,039,276	11,185,728	9,721,919	1,237,261

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



36. CAPITAL COMMITMENTS

As of December 31, 2016, the Group has the following commitments in respect of property, plant and equipment:

	The Group	
	2016 RM	2015 RM
Approved and contracted for	6,507,600	15,694,800
Approved but not contracted for	88,078,143	–
	<u>94,585,743</u>	<u>15,694,800</u>

37. SIGNIFICANT EVENT

During the current financial year, the Company completed its Initial Public Offering exercise with the listing and quotation of its entire enlarged issued and paid-up share capital comprising 1,142,948,000 ordinary shares of RM0.10 each on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on October 6, 2016.

38. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the financial year end, the following events have taken place:

- (i) a subsidiary entered into a Sale and Purchase Agreement on January 19, 2017 for the purchase of land measuring approximately 4.901 acres which is situated at Mukim Bidor, Daerah Batang Padang, Perak Darul Ridzuan for a total consideration of RM2,561,844. The subsidiary entered into another Sale and Purchase Agreement on March 28, 2017 for the purchase 2 (two) parcels of land with a total measuring 67,327 square meter which is situated at Mukim Belanja, Daerah Kinta, Perak Darul Ridzuan for a total consideration of RM7,971,719;
- (ii) a first single tier interim dividend in respect of the financial year ending December 31, 2017 of RM0.002 per share amounting to RM2,285,896 was declared on March 9, 2017 and payable on May 19, 2017; and
- (iii) the Companies Act, 2016 (New Act) was enacted to replace the Companies Act, 1965 and was passed by Parliament on April 4, 2016. The New Act was subsequently gazetted on September 15, 2016. On January 26, 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the effective date of the New Act, except for section 241 and Division 8 of Part III of the New Act, to be January 31, 2017.

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group and of the Company would include the removal of the authorised share capital, replacement of no par value shares in place of par or nominal value shares and the treatment of share premium.

The adoption of the New Act is not expected to have any financial impact on the Group and on the Company for the financial year ended December 31, 2016 as any accounting implications will only be applied prospectively, if applicable, and the effect of adoption mainly will be on the disclosures to the annual report and financial statements of the Group and of the Company for the financial year ending December 31, 2017.

SUPPLEMENTARY INFORMATION

DISCLOSURE ON REALISED AND UNREALISED PROFITS OR LOSSES



39. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as of December 31, 2016 into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Total retained earnings/ (accumulated losses) of the Company and its subsidiaries				
Realised	56,779,691	37,466,041	2,150,222	(105,909)
Unrealised	4,266,337	5,880,200	(5,500)	(5,500)
	61,046,028	43,346,241	2,144,722	(111,409)
Add: Consolidation adjustments	(726,938)	(580,072)	–	–
Total retained earnings/ (accumulated losses) as per statements of financial position	60,319,090	42,766,169	2,144,722	(111,409)

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

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and is not made for any other purposes.

STATEMENT BY DIRECTORS



The directors of **PERAK TRANSIT BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of 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 of December 31, 2016 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 39, which is not part of the financial statements, is prepared in all material respects, 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 and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors,

DATO' SRI CHEONG KONG FITT

DATO' CHEONG PEAK SOOI

Ipoh,
April 3, 2017

DECLARATION BY THE OFFICER

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY



I, **LOH KWANG YEAN (IC No. 760628-07-5799)**, the officer primarily responsible for the financial management of **PERAK TRANSIT BERHAD**, do solemnly and sincerely declare that the accompanying financial statements 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.

LOH KWANG YEAN

Subscribed and solemnly declared by the abovenamed
LOH KWANG YEAN at **IPOH** this 3rd day of April, 2017.

Before me,

COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2017



Total number of issued shares	:	1,142,948,000
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

(Based on the Record of Depositors)

Size of Shareholdings	No. of Shareholders	%	No. of shares	%
1 to 99	3	0.29	25	**
100 to 1,000	77	7.34	43,875	**
1,001 to 10,000	215	20.49	1,490,600	0.13
10,001 to 100,000	557	53.10	24,507,400	2.14
100,001 to 57,147,399	192	18.30	383,509,550	33.55
57,147,400* and above	5	0.48	733,396,550	64.17
	1,049	100.00	1,142,948,000	100.00

Notes :

* Denotes 5% of the issued capital.

** Negligible.

SUBSTANTIAL SHAREHOLDERS

(Based on the Company's Register of Substantial Shareholders)

	No. of shares held			
	Direct	%	Indirect	%
1. Muamalat Venture Sdn Bhd	190,476,000	16.67	—	—
2. CBS Link Sdn Bhd	190,000,000	16.62	—	—
3. Dato' Sri Cheong Kong Fitt	178,262,550	15.60	264,658,000 ^{*1}	23.16
4. MTD Capital Bhd	100,000,000	8.75	—	—
5. Datin Sri Lim Sow Keng	74,658,000	6.53	368,262,550 ^{*2}	32.22

Notes:

*1 Deemed interested through his spouse and his interest held in a corporation by virtue of Section 8 of the Companies Act 2016.

*2 Deemed interested through her spouse and her interest held in a corporation by virtue of Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

(Based on the Company's Register of Directors' Shareholdings)

	No. of shares held			
	Direct	%	Indirect	%
1. Dato' Sri Cheong Kong Fitt	178,262,550	15.60	264,658,000 ^{*1}	23.16
2. Dato' Cheong Peak Sooi	18,551,450	1.62	—	—
3. Tan Sri Dato' Chang Ko Youn	—	—	—	—
4. Dato' Wan Asmadi Bin Wan Ahmad	—	—	—	—
5. Mohd Annas Bin Md Isa	—	—	—	—
6. Ng Wai Luen	—	—	—	—

Note:

*1 Deemed interested through his spouse and his interest held in a corporation by virtue of Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS *(Cont'd)*

AS AT 31 MARCH 2017



THIRTY LARGEST SHAREHOLDERS (Based on the Record of Depositors)

		No. of shares	%
1.	Muamalat Venture Sdn Bhd	190,476,000	16.67
2.	CBS Link Sdn Bhd	190,000,000	16.62
3.	Dato' Sri Cheong Kong Fitt	178,262,550	15.60
4.	MTD Capital Bhd	100,000,000	8.75
5.	Datin Sri Lim Sow Keng	74,658,000	6.53
6.	Gemas Perunding Sdn Bhd	55,481,000	4.85
7.	Senandung Asas Sdn Bhd	52,593,000	4.60
8.	Maksima Amanjaya Development Sdn Bhd	37,926,000	3.32
9.	CIMSEC Nominees (Tempatan) Sdn Bhd	31,200,000	2.73
	CIMB Bank for Koh Kin Lip (MY0502)		
10.	HSBC Nominees (Tempatan) Sdn Bhd	26,000,000	2.28
	HSBC (M) Trustee Bhd for RHB Smart Treasure Fund		
11.	Dato' Cheong Peak Sooi	18,551,450	1.62
12.	HSBC Nominees (Asing) Sdn Bhd	11,202,600	0.98
	HSBC FS I for JPMorgan Malaysia Fund		
13.	CIMSEC Nominees (Tempatan) Sdn Bhd	10,000,000	0.87
	CIMB Bank for Tan Kim Heung (MY1989)		
14.	UOBM Nominees (Tempatan) Sdn Bhd	8,617,000	0.75
	UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Aggressive Fund		
15.	AMSEC Nominees (Tempatan) Sdn Bhd	7,984,600	0.70
	Mtrustee Berhad for Pacific Pearl Fund (UT-PM-PPT)		
16.	RHB Nominees (Tempatan) Sdn Bhd	6,650,000	0.58
	Pledged Securities Account for Cheng Seow Ying		
17.	Cartaban Nominees (Tempatan) Sdn Bhd	4,900,000	0.43
	Corston-Smith Asset Management Sdn Bhd for Corston-Smith Asean Corporate Governance Fund		
18.	Global Asset Trustee (M) Berhad	4,875,000	0.43
	Ronfield Limited		
19.	Malacca Equity Nominees (Tempatan) Sdn Bhd	4,559,100	0.40
	Exempt an for Philip Capital Management Sdn Bhd		
20.	Chung Keen Mean	4,500,000	0.39
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd	4,000,000	0.35
	Pledged Securities Account for Koh Kin Lip (8058900)		
22.	HSBC Nominees (Tempatan) Sdn Bhd	3,959,100	0.35
	HSBC (M) Trustee Bhd for RHB Smart Income Fund		
23.	HSBC Nominees (Tempatan) Sdn Bhd	3,959,100	0.35
	HSBC (M) Trustee Bhd for RHB Smart Balanced Fund		
24.	Malacca Equity Nominees (Tempatan) Sdn Bhd	3,527,400	0.31
	Exempt an for Philip Capital Management Sdn Bhd		
25.	DB (Malaysia) Nominees (Tempatan) Sendirian Berhad	3,357,100	0.29
	Deutsche Trustees Malaysia Berhad for RHB Retirement Series-Moderate Fund		
26.	HSBC Nominees (Tempatan) Sdn Bhd	3,357,100	0.29
	HSBC (M) Trustee Bhd for RHB Goldenlife 2030		
27.	TASEC Nominees (Tempatan) Sdn Bhd	2,995,100	0.26
	Exempt an for TA Investment Management Berhad (Cients)		
28.	Aminuddin Bin Morri	2,602,900	0.23
29.	Public Nominees (Tempatan) Sdn Bhd	2,200,000	0.20
	Pledged Securities Account for Koh Khai Yee (E-BMM)		
30.	Affin Hwang Nominees (Tempatan) Sdn Bhd	2,000,000	0.17
	Pledged Securities Account for Lam Kong Foo (LAM0057C)		
		1,050,394,100	91.90

LIST OF PROPERTIES

AS AT 31 DECEMBER 2016



Registered owner	Location/ postal address	Date of Acquisition/ Valuation	Description and existing use	Tenure	Land area (sq m)	Gross built up area (sq m)	Audited NBV as at 31 December 2016 (RM'000)
The Combined Bus Services Sdn Bhd	Lot 506802 PN 354609 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan / No. 1, Persiaran Meru Raya 5, Meru Raya, 30020 Ipoh, Perak	31 December 2014 (Date of Valuation)	Commercial land with building (Terminal Aman Jaya) and petrol station comprising: a three (3)-storey integrated public transportation terminal including a basement car park Petrol station with building comprising a petrol kiosk cum office with six (6) fuel islands and six (6) underground fuel storage tanks. The buildings' Certificate of Fitness ("CF") was dated August 2012.	Leasehold for 99 years, expiring in 2109	33,740	19,398	174,777
The Combined Bus Services Sdn Bhd	PT 53493 & 53494 Mukim Kampar, Daerah Kampar, Perak Darul Ridzuan	13 January 2016 (Date of Acquisition)	Commercial land with building under construction (Terminal Kampar)	Leasehold for 99 years, expiring in 2115	15,033	–	1,295
CKS Bumi Sdn Bhd	Lot 3590, PN 341612, Mukim Lubok Merbau, Kuala Kangsar, Perak Darul Ridzuan / Lot 3590, Jalan Industrial Satu, Kawasan Perindustrian Miel, Lubok Merbau, 33010 Kuala Kangsar, Perak	22 June 2015 (Date of Acquisition)	Petrol station with building comprising a petrol kiosk cum office with four (4) fuel islands and five (5) underground fuel storage tanks. The building's CF was dated June 2015.	Leasehold for 99 years, expiring in 2101	4,092	926	4,850

LIST OF PROPERTIES *(Cont'd)*

AS AT 31 DECEMBER 2016



Registered owner	Location/ postal address	Date of Acquisition/ Valuation	Description and existing use	Tenure	Land area (sq m)	Gross built up area (sq m)	Audited NBV as at 31 December 2016 (RM'000)
CKS Bumi Sdn Bhd	Lot 207436, PN 115497 Mukim Hulu Kinta, Tempat Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan / Lot 207436, Jalan Chepor 11/5, Pusat Industri Seramik, 31200 Chemor, Ipoh, Perak.	8 December 2014 (Date of Valuation)	Vacant industrial land. Intended to be used as head quarters for bus operation (control room), workshop and parking spaces for buses	Leasehold for 60 years, expiring in 2053	21,690	–	808
CKS Bumi Sdn Bhd	Lot 207437, PN 115498 Mukim Hulu Kinta, Tempat Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan / Lot 207437, Jalan Chepor 11/5, Pusat Industri Seramik, 31200 Chemor, Ipoh, Perak.	8 December 2014 (Date of Valuation)	Vacant industrial land. Intended to be used for headquarters for bus operation (control room), workshop and parking spaces for buses	Leasehold for 60 years, expiring in 2053	12,338	–	460
CKS Bumi Sdn Bhd	Lot 207438, PN 115499 Mukim Hulu Kinta, Tempat Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan / Lot 207438, Jalan Chepor 11/5, Pusat Industri Seramik, 31200 Chemor, Ipoh, Perak.	8 December 2014 (Date of Valuation)	Vacant industrial land. Intended to be used for headquarters for bus operation (control room), workshop and parking spaces for buses	Leasehold for 60 years, expiring in 2053	9,187	–	342

LIST OF PROPERTIES *(Cont'd)*

AS AT 31 DECEMBER 2016



Registered owner	Location/ postal address	Date of Acquisition/ Valuation	Description and existing use	Tenure	Land area (sq m)	Gross built up area (sq m)	Audited NBV as at 31 December 2016 (RM'000)
CKS Labur Sdn Bhd	Lot 397936, PN 346083, Mukim Ulu Kinta, Daerah Kinta, Perak Darul Ridzuan / PT 234516, Mukim Hulu Kinta, Lebuhraya Ipoh, Lumut, 31500 Lahat, Perak	31 December 2014 (Date of Valuation)	Petrol station with building comprising a petrol kiosk cum office with five (5) fuel islands and five (5) underground fuel storage tanks. The building's CF was on July 2010.	Leasehold for 99 years, expiring in 2109	4,064	908	4,841
Ipoh Link Sdn Bhd	Lot 213097, PN 214575, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan / Lot PT 3100, Jalan Industri 2/2, Gopeng Industrial Park, 31600 Gopeng, Perak	31 December 2014 (Date of Valuation)	Industrial land with building comprising: a single (1)-storey workshop factory with a double (2)-storey office. The building's CF was on March 2001.	Leasehold for 60 years, expiring in 2055	8,124	1,368	1,900
Star Kensington Sdn Bhd	Lot 227884 PN 210177 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan / PT 136632, Jalan Tambun, Taman Tanjung Mewah, 31250 Tanjung Rambutan, Perak	16 December 2014 (Date of Valuation)	Petrol station with building comprising a petrol kiosk cum office with five (5) fuel islands and five (5) underground fuel storage tanks. The building's CF was on May 2009.	Leasehold for 60 years, expiring in 2056	2,244	652	2,257

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting ("**AGM**") of the Company will be held at Pusing Hall, Level 3, Kinta Riverfront Hotel & Suites, Jalan Lim Bo Seng, 30000 Ipoh, Perak Darul Ridzuan on Thursday, 25 May 2017 at 9.00 a.m. to transact the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. [Please refer to Note f]
2. To approve the payment of Directors' Fees and benefits of RM128,200 in respect of the financial year ended 31 December 2016. Resolution 1
3. To approve the payment of Directors' Fees and benefits up to RM250,000 in respect of the financial year ending 31 December 2017 to be paid on a monthly basis until the next AGM. Resolution 2
4. To re-elect the following Directors who retire by rotation in accordance with Article 99(1) of the Articles of Association:
 - a. Dato' Sri Cheong Kong Fitt Resolution 3
 - b. Dato' Cheong Peak Sooi Resolution 4
5. To appoint Auditors and to authorise the Directors to fix their remuneration.

Special Notices pursuant to Section 322 and 280(2)(b)(ii) of the Companies Act 2016 ("**Act**") proposing the following ordinary resolution:

"That Messrs Moore Stephens, be and are hereby appointed as Auditors of the Company in place of the outgoing Auditors, Deloitte PLT, to hold office until the conclusion of the next AGM at a remuneration to be agreed between the Directors and the Auditors." Resolution 5
6. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

By order of the Board

CHEAI WENG HOONG

Company Secretary

Ipoh

28 April 2017

NOTES:

- a. A member of the Company entitled to attend and vote at the meeting may appoint any person to be his/her proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak at the meeting.
- b. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- c. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)



NOTES (Cont'd) :

- d. Where a member 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.
- e. Only members whose names appear in the Record of Depositors as at 17 May 2017 will be entitled to attend and vote at the meeting.
- f. **Audited Financial Statements for financial year ended 31 December 2016**
The audited financial statements under Agenda 1 are meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the members and hence, Agenda 1 is not put forward for voting.
- g. **Resolution 1**
The Directors' Fees and benefits comprised the following:

Directors' Fees for the period from October 2016 to December 2016
Non-Executive Chairman of RM16,500
Non-Executive Directors of RM40,500

The benefits payable to the Non-Executive Directors totalled RM71,200 include allowances to the directors, meeting and travelling allowances.
- h. **Resolution 2**
Resolution 2, if passed, will allow the Company to pay Directors' Fees and benefits as set out below in a timely manner, on a monthly basis, for services rendered at the end of each month during the course of the financial year ending 31 December 2017 until the next AGM.

Directors' Fees
Non-Executive Chairman RM66,000 per annum
Non-Executive Director RM54,000 per annum

The benefits payable to the Non-Executive Directors up to RM22,000 comprise meeting and travelling allowances.

In the event the Directors' Fees and benefits proposed are insufficient (e.g. due to enlarged Board size or additional Board meetings to be convened), approval will be sought at the next AGM for additional fees to meet the shortfall.
- i. **Resolutions 3 to 4**
The profiles of the Directors standing for re-election are disclosed under Profile of Board of Directors on pages 6 to 8 of the Annual Report and the details of their interest in the securities of the Company are disclosed under Analysis of Shareholdings on pages 108 and 109 of the Annual Report.
- j. **Resolution 5**
The Special Notices pursuant to Section 322 and 280(2)(b)(ii) of the Act in relation to the proposed ordinary resolution for the Appointment of Auditors are set out and marked "Annexure A".

ANNEXURE A - SPECIAL NOTICE - MTD CAPITAL BHD



AlloyMtd

MTD CAPITAL BHD [256187-T]

Date : 5 April 2017

The Board of Directors
Perak Transit Berhad
D-3-7 Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh
Perak

Dear Sirs

SPECIAL NOTICE – APPOINTMENT OF AUDITORS

I, being a member of the Company hereby give notice pursuant to Section 322 and 280(2)(b)(ii) of the Companies Act 2016 (“Act”), of my intention to propose the following resolution as an ordinary resolution at the forthcoming Annual General Meeting (“AGM”):

“That Messrs Moore Stephens, be and are hereby appointed as Auditors of the Company in place of the outgoing Auditors, Messrs Deloitte PLT, to hold office until the conclusion of the next AGM at a remuneration to be agreed between the Directors and the Auditors.”

Yours faithfully

Tan Sri Dr Azmil Khalili bin Dato' Khalid
Director

ANNEXURE A - SPECIAL NOTICE - GEMAS PERUNDING SDN BHD



ANNEXURE A

Gemas Perunding Sdn. Bhd.
81 (2nd Floor)
Jalan Market
30000 Ipoh
Perak

Date: 06 APR 2017

The Board of Directors
Perak Transit Berhad
D-3-7 Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh
Perak

Dear Sirs

SPECIAL NOTICE – APPOINTMENT OF AUDITORS

I, being a member of the Company hereby give notice pursuant to Section 322 and 280(2)(b)(ii) of the Companies Act 2016 (“Act”), of my intention to propose the following resolution as an ordinary resolution at the forthcoming Annual General Meeting (“AGM”):

“That Messrs Moore Stephens, be and are hereby appointed as Auditors of the Company in place of the outgoing Auditors, Messrs Deloitte PLT, to hold office until the conclusion of the next AGM at a remuneration to be agreed between the Directors and the Auditors.”

Yours faithfully

Abdul Rahman Bin Rehan
Member



FORM OF PROXY

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

No. of shares held	CDS Account No.

I/We _____ NRIC/Passport/Co. No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ Tel No. _____
(ADDRESS)

being a member of PERAK TRANSIT BERHAD, hereby appoint:

Proxy 1 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

Proxy 2 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Pusing Hall, Level 3, Kinta Riverfront Hotel & Suites, Jalan Lim Bo Seng, 30000 Ipoh, Perak Darul Ridzuan on Thursday, 25 May 2017 at 9.00 a.m. or at any adjournment thereof. My/our proxy(ies) shall vote as follows:

Resolutions relating to:		For	Against
1.	Approval of Payment of Directors' Fees and benefits in respect of the financial year ended 31 December 2016		
2.	Approval of Payment of Directors' Fees and benefits in respect of the financial year ending 31 December 2017 to be paid on a monthly basis until the next AGM		
3.	Re-election of Dato' Sri Cheong Kong Fitt		
4.	Re-election of Dato' Cheong Peak Sooi		
5.	Appointment of Auditors and to authorise the Directors to fix their remuneration		

(Please indicate with an "X" in the space provided how you wish your vote to be cast on the resolutions specified in the Notice of the Eighth Annual General Meeting. If you do not do so, the proxy(ies) will vote or abstain from voting at his/her/their discretion).

Dated this _____ day of _____ 2017

Signature/Seal of Shareholder

NOTES:

- A member of the Company entitled to attend and vote at the meeting may appoint any person to be his/her proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak at the meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- Where a member 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.
- Only members whose names appear in the Record of Depositors as at 17 May 2017 will be entitled to attend and vote at the meeting.

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**The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur**

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PERAK TRANSIT BERHAD (831878-V)
No. 19, Lebuhraya Bercham Selatan,
Taman Cahaya Tasek, 31400 Ipoh, Perak

Tel : (+605) 545 5318 / 545 9218
Fax : (+605) 545 5310