

The logo for PerakTransit, featuring the word "Perak" in yellow and "Transit" in white, both on a purple rectangular background.


PerakTransit

KEPUASAN ANDA, KEUTAMAAN KAMI
YOUR SATISFACTION, OUR PRIORITY

OPTIMISING POTENTIAL FUTURE



ANNUAL REPORT **2020**

The image features a white background with several overlapping circular elements. At the top, there are two large, faint, concentric circles in light grey. Below them, a larger circle is formed by many closely spaced, concentric magenta lines. In the lower portion of the image, there are two solid-colored circles: a smaller green one on the left and a larger blue one on the right, both overlapping the magenta-lined circle. The text 'OPTIMISING POTENTIAL FUTURE' is centered within the magenta-lined circle.

**OPTIMISING
POTENTIAL
FUTURE**

OUR MISSION

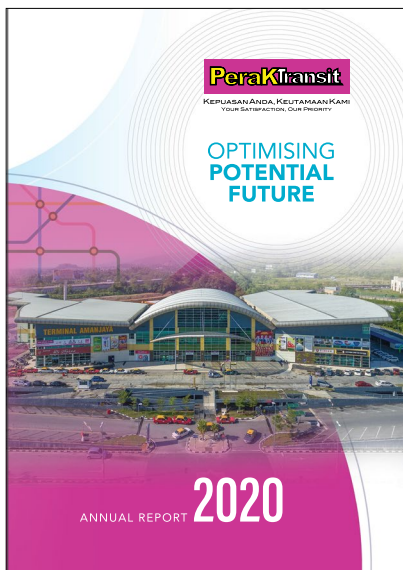
To be a leading developer and operator of integrated terminal complex and transportation services provider in Malaysia and to focus our future in expanding the integrated transportation terminal to other parts of Perak and other states in Malaysia.

OUR VISION

To offer wide and comprehensive bus operation, 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.

OPTIMISING POTENTIAL FUTURE

Perak Transit Berhad aims to elevate its services and systems to the next level. With its dedication towards efficiency, we move towards a future of full potential by expanding greater throughout the whole Malaysia. We will continue to provide the safest, reliable and efficient services, consistently upgrade our services and systems and moving towards the vision of leader in the industry.





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CORPORATE INFORMATION

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
(Independent Non-Executive Director)

Ng Wai Luen
(Independent Non-Executive Director)

Azian Binti Kassim
(Independent Non-Executive Director)

Dato' Haji Mohd Gazali Bin Jalal
(Independent Non-Executive Director)

Audit Committee

Ng Wai Luen (*Chairman*)
Tan Sri Dato' Chang Ko Youn
Dato' Wan Asmadi Bin Wan Ahmad
Dato' Haji Mohd Gazali Bin Jalal

Remuneration Committee

Dato' Haji Mohd Gazali Bin Jalal (*Chairman*)
Dato' Wan Asmadi Bin Wan Ahmad
Tan Sri Dato' Chang Ko Youn
Ng Wai Luen

Nomination Committee

Tan Sri Dato' Chang Ko Youn (*Chairman*)
Dato' Wan Asmadi Bin Wan Ahmad
Dato' Haji Mohd Gazali Bin Jalal
Ng Wai Luen

Company Secretary

Cheai Weng Hoong (LS0005624)
SSM PC No.: 202008000575

Registered Office

D-3-7 Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh, Perak
Tel No.: 05-253 0760
Fax No.: 05-241 6761

Corporate Office

E-6-2A, SOHO Ipoh 2
Jalan Sultan Idris Shah
30000 Ipoh, Perak
Tel No.: 05-255 1128
Fax No.: 05-255 3399
Website: www.peraktransit.com.my
E-mail address: enquiry@peraktransit.com.my

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd
Registration No.: 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No.: 03-2783 9299
Fax No.: 03-2783 9222

Auditors

Moore Stephens Associates PLT
Registration No.: 201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)
Unit 5.03, 5th Floor, Menara Boustead
39, Jalan Sultan Ahmad Shah
10050 Georgetown, Pulau Pinang
Tel No.: 04-295 9160
Fax No.: 04-295 9161

Principal Bankers

United Overseas Bank (Malaysia) Bhd
Registration No.: 199301017069 (271809-K)

Stock Exchange Listing

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

CORPORATE STRUCTURE



- **100%** | CKS Labur Sdn Bhd
- **100%** | Ipoh Link Sdn Bhd
- **100%** | Syarikat Sumber Manusia Sdn Bhd
- **100%** | Terminal Urus Sdn Bhd
- **100%** | PTRANS Resources Sdn Bhd
- **100%** | CKS Bumi Sdn Bhd
- **100%** | Star Kensington Sdn Bhd
- **99.96%** | The Combined Bus Services Sdn Bhd

PeraKTransit

PERAK TRANSIT BERHAD
Registration No.: 200801030547 (831878-V)



PROFILE OF DIRECTORS

TAN SRI DATO' CHANG KO YOUN

Independent Non-Executive Chairman

Tan Sri Dato' Chang Ko Youn, Malaysian, male, aged 64, was appointed to the Board of Directors ("**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 and Remuneration 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 Menteri Besar of Perak until 2013.

Since 2014, he has resumed his legal practice at Toh Theam Hock & Co in Ipoh, specialising in banking, commercial and conveyancing matters. He has been 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 2020 ("**FYE 2020**"). 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 61, was appointed to the Board on 5 September 2008 and is responsible for the Company and its subsidiaries ("**Group**") 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 was awarded Postgraduate Certificate in International Business from York St John University, England in 2017. He has approximately 28 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 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. During his tenure in the Partnership, he gained extensive knowledge and experience in managing terminal and bus operations. 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. After successfully merging the bus services operations, he left The Combined Bus Services (Partnership) in 2013.

In 2008, he founded the Company, which was converted into a public company in 2010, and was subsequently listed on Bursa Malaysia Securities Berhad ("**Bursa Securities**") in 2016. Under his management, the Group successfully built and commenced operations of Terminal Meru Raya in 2012 followed by Kampar Putra Sentral in 2019. Dato' Sri Cheong Kong Fitt has steered the Group to venture into mining management and terminal management services.

Dato' Sri Cheong Kong Fitt is the brother of Dato' Cheong Peak Sooi, an Executive 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 2020. 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 54, is an Executive Director of the Group. He was re-appointed to the Board on 1 October 2012. He was 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 and subsequently resigned in 2011. In the same year, he was appointed as the director of The Combined Bus Services Sdn Bhd, a position that he continues to hold till today. He is responsible to supervise and monitor the day-to-day operations of Terminal Meru Raya and Kampar Putra Sentral and subsequently the construction of terminal in Bidor.

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 2020. He does not hold any directorship in any other public listed companies.

DATO' WAN ASMADI BIN WAN AHMAD

Independent Non-Executive Director

Dato' Wan Asmadi Bin Wan Ahmad, Malaysian, male, aged 55, was appointed to the Board on 25 August 2015 as a Non-Independent Non-Executive Director and was redesignated as Independent Non-Executive Director on 18 July 2017. He also serves as the member of the Audit Committee, Nomination Committee and Remuneration Committee.

Dato' Wan Asmadi Bin Wan Ahmad 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 of an investment banking outfit, Anfaal Capital.

Upon returning from the Kingdom of Saudi Arabia, Dato' Wan Asmadi Bin Wan Ahmad 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 Securities and a corporation member of Pahang State Development Corporation.

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 2020. He does not hold any directorship in any other public listed companies.



PROFILE OF DIRECTORS (Cont'd)

NG WAI LUEN

Independent Non-Executive Director

Ng Wai Luen, Malaysian, male, aged 52, 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 and Remuneration Committee of the Company. He graduated with a Bachelor of Business (Accounting) with distinction from RMIT University, Australia, in 1992. He is a member of the Certified Public Accountant Australia, The Malaysian Institute of Certified Public Accountant 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. In 1996, he joined OKA Corporation Berhad as a Finance Manager. In 1997, he was appointed as joint company secretary. 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 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 2020. He does not hold any directorship in any other public listed companies.

AZIAN BINTI KASSIM

Independent Non-Executive Director

Azian Binti Kassim, Malaysian, female, aged 55 was appointed to the Board on 15 August 2017 as an Independent Non-Executive Director. She is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and a Chartered Accountant registered with the Malaysian Institute of Accountants. She has approximately 27 years of experience in the capital market and managing investment portfolios.

Azian Binti Kassim began her career as an auditor. In 1992, she joined BBMB Unit Trust Management Berhad as an Investment Officer/Analyst and in 1995, she joined Perwira Affin Merchant Bank Berhad as an Assistant Manager. Subsequently in 1996, she joined RHB Asset Management Sdn Bhd as a Manager and in 1999 and 2001, she was promoted to Senior Manager and Assistant General Manager respectively.

Azian Binti Kassim was then attached to Mayban Investment Management Sdn Bhd as the Chief Investment Officer from 2004 to 2007. She was responsible for the investments and strategy for the company.

In 2007, Azian Binti Kassim joined Syarikat Takaful Malaysia Berhad, which is now known as Syarikat Takaful Malaysia Keluarga Berhad, as Chief Investment Officer and she had spearheaded investment division and played a pivotal role in developing a strong portfolio management capability for the division.

Azian Binti Kassim 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 has 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 2020. She does not hold any directorship in any other public listed companies.



PROFILE OF DIRECTORS (Cont'd)



DATO' HAJI MOHD GAZALI BIN JALAL

Independent Non-Executive Director

Dato' Haji Mohd Gazali Bin Jalal, Malaysian, male, aged 63 was appointed to the Board on 20 January 2021 as an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee and a member of Audit Committee and Nomination Committee. He has obtained an honours degree in Biology (Microbiology) from Universiti Kebangsaan Malaysia and Diploma in Public Administration from Institut Tadbiran Awam Negara.

Dato' Haji Mohd Gazali Bin Jalal had served in the public service sector for more than 35 years. He first joined the Administration and Diplomatic Service on 3 January 1983 as Assistant Secretary in the Ministry of Agriculture before being transferred to Prime Minister Department as an Assistant Director in 1985.

Dato' Haji Mohd Gazali Bin Jalal was the Perak State Secretary in April 2018 before he retired in October 2018 from the services. Aside from his post as Perak State Secretary, he was also the former Perak State Financial Officer, Kuala Kangsar District Officer and Perak Land and Mines Deputy Director. He has vast experience in finance, land management and regional administration.

Dato' Haji Mohd Gazali Bin Jalal is a shareholder of the Company. He 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 2020. He does not hold any directorship in any other public listed companies.



KEY MANAGEMENT PERSONNEL

Perak Transit Berhad (“**Perak Transit**” or “**Company**”) 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:

JENNIFER CHIN YI TENG

Chief Financial Officer

Jennifer Chin Yi Teng, Malaysian, female, aged 33, is the Chief Financial Officer of the Group. She graduated with a Bachelor of Science (Hons) in Applied Accounting from Oxford Brookes University, United Kingdom, in 2011. She is a member of the Association of Chartered Certified Accountants, United Kingdom.

Jennifer Chin Yi Teng began her career as an Account Executive with Kin Kun Group Sdn Bhd in April 2010. 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, Jennifer Chin Yi Teng 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. Subsequently, she was promoted to Chief Financial Officer of the Group in June 2019. As Chief Financial Officer, Jennifer Chin Yi Teng is responsible for all aspects of the Group’s finance, accounting and reporting functions.

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 2020. She does not hold any directorship in any other public listed companies.

NARENDRAN A/L MURGAYAI

Terminal Manager

Narendran A/L Murgayai, Malaysian, male, aged 42, is the Terminal Manager of the Group. He obtained a Bachelor of Science in Mechanical Engineering with honours from Atlantic International University, United States of America in 2003.

Narendran A/L Murgayai began his career as a Technical Supervisor with Super Cord Sdn Bhd in 2000 and left in 2003. In 2015, he returned from Singapore after gaining 11 years of working experience there to start his career as an Assistant Operation Manager with Lion Ipoh Parade Sdn Bhd where his duties involved managing the daily operations of the shopping mall, including the security and carpark department. He was also managing the annual budget, supervising staff, work schedules, maintenance, attending meetings and enhancing staff performances to meet the daily, weekly and monthly targets.

Narendran A/L Murgayai joined the Group as the Terminal Manager in September 2017. As the Terminal Manager of our Group, he is responsible for the whole terminal operation that covers administration, terminal operation activity, recruitment, business development and maintenance of the terminal.

Narendran A/L Murgayai 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 2020. He does not hold any directorship in any other public listed companies.

KEY MANAGEMENT PERSONNEL (Cont'd)

BOON SIN KHOON

Head, Bus Operation

Boon Sin Khoon, Malaysian, male, aged 54, is the Head, Bus Operation of the Group. He completed Certificate in Accounting with Business Computing at TAR College, Kuala Lumpur in 1988. He picked up his part time studies and obtained a UK Diploma in National Computing Centre, locally from Shen Jai School of Commerce, in 1995.

Boon Sin Khoon began his career as an Admin & Personnel Officer with Golden Star Video Production (PK) Sdn. Bhd. in 1989. He was a Production Executive when the time he left the company in 2001.

He then started his career as an Operation Executive in Perceptive Logistic Sdn. Bhd. (previously known as Priority Haulage Sdn. Bhd., a subsidiary of Green Peninsular Group), Ipoh in 2002. He was promoted and being transferred to Klang Valley as Operation Manager in year 2013 where he further enriched himself and obtained Certified International Logistics Manager and IPMA UK Certified Leadership Management Development in 2016 and 2017, respectively. His main responsibility was monitoring on Central Region haulage operation, customer service and overall maintenance department.

Boon Sin Khoon joined the Group as the Bus Operation Manager – Express Division in April 2018. In October 2018, he was being entrusted with the entire bus operation division of the Group, he is responsible for both the stage bus operation and the express bus operation. His responsibility ranging from bus administration and operation activities, recruitment, routes costing, agency price negotiation, business development and review of staff performances to meet company targets.

Boon Sin Khoon 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 pass five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FYE 2020. He does not hold any directorship in any other public listed companies.

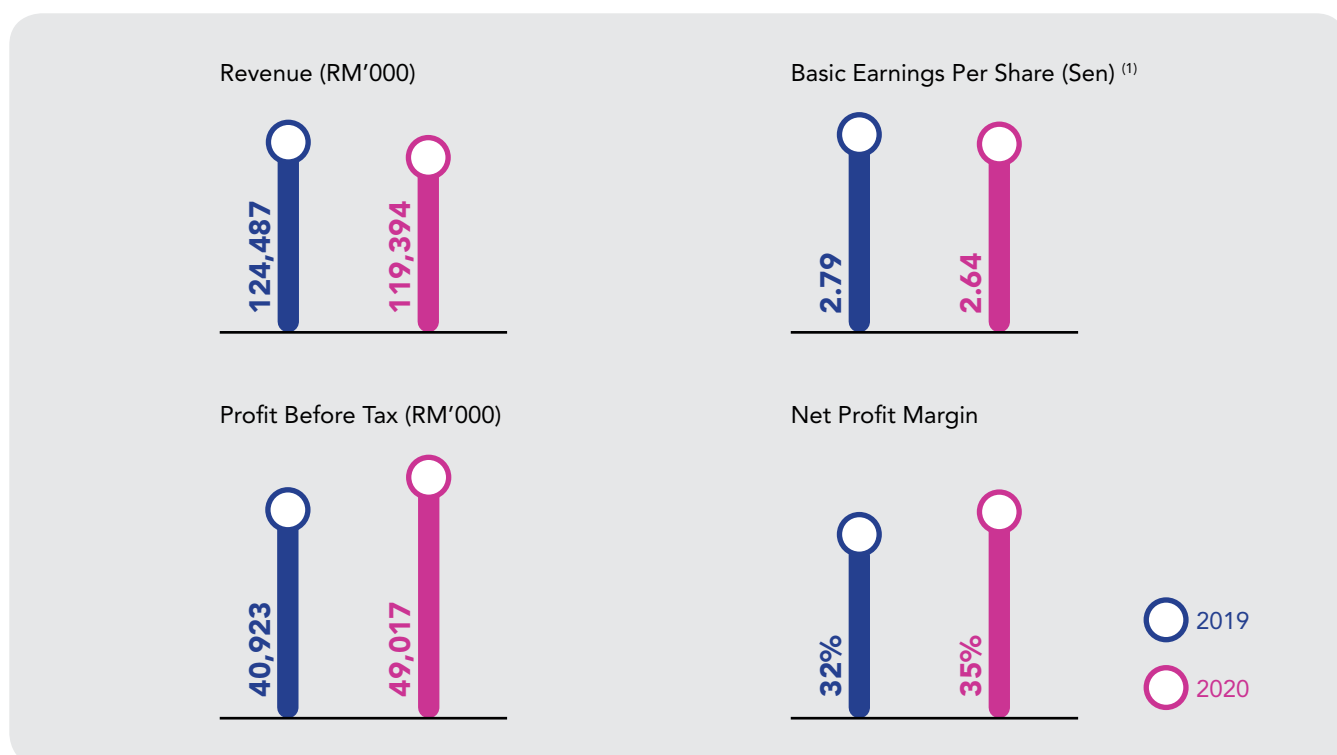


FINANCIAL HIGHLIGHTS

Group	2020 (RM'000)	2019 (RM'000)
Revenue	119,394	124,487
Profit before tax	49,017	40,923
Profit for the year	42,046	40,010
Profit attributable to owners of the Company	41,817	39,759
Total equity attributable to owners of the Company	469,366	330,742
Total assets	729,095	660,698
Share Information	2020	2019
Basic earnings per share (sen) ⁽¹⁾	2.64	2.79
Dividends per share (sen)	1.00	1.00
Net asset per share (RM) ⁽¹⁾	0.30	0.23
Financial Ratios	2020	2019
Net profit margin	35%	32%
Return on equity attributable to owners of the Company	9%	12%
Return on total assets	6%	6%
Revenue growth rate	(-4%)	10%

Note:

- (1) Basic earnings per share and net asset per share for the financial year ended 31 December 2019 ("FYE 2019") and FYE 2020 are calculated based on the Company's weighted average number of ordinary shares in Perak Transit issued as at 31 December 2019 and 31 December 2020, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS



COMPANY OVERVIEW

The Company's principal activity is investment holding, whilst the Group via the subsidiaries, are principally involved in the operations of Terminal Meru Raya and Kampar Putra Sentral, integrated public transportation terminals and the provision of public bus services. The Group is also involved in the petrol sales business in the operations of several petrol stations in Ipoh, Lahat and Kuala Kangsar, Perak. During the FYE 2020, it has also commenced the mining management operations.

In light of the shadow cast by the Covid-19 pandemic, our Company is closely monitoring the related risks and potential impacts as well as implementing necessary measures to ensure our operations are running in a sustainable manner.

Mission and Vision

The Group strives 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 while offering 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.

Principle activities of the Group

The Group's revenue is mainly derived from:

- (a) Integrated public transportation terminal operations:
 - i. Rental of advertising and promotional ("A&P") spaces;
 - ii. Rental of shops and kiosks;
 - iii. Project facilitation fee; and
 - iv. Others such as profit sharing from terminal management, car park fee and taxi entrance fee;
- (b) Providing public stage bus and express bus services as well as bus charter and advertising services;
- (c) Petrol stations operations; and
- (d) Mining management operations.

Strategies in creating value

The Group continues to focus on the development and enhancement of integrated public transportation terminal to achieve business growth. The Group continues to explore potential market and expand its value to deliver maximum value to its shareholders.

Highlights of the Group's financial information for the past five (5) financial years

	Audited				
	FYE 2016 (RM'000)	FYE 2017 (RM'000)	FYE 2018 (RM'000)	FYE 2019 (RM'000)	FYE 2020 (RM'000)
Revenue	90,180	106,766	113,515	124,487	119,394
Profit before tax	25,268	30,482	32,793	40,923	49,017
EBITDA	40,441	46,915	51,551	63,829	78,064
Finance costs	7,296	7,119	7,599	10,623	12,984
Profit for the year	21,725	29,015	36,030	40,010	42,046
Equity attributable to owners of the Company	200,744	219,336	282,315	330,742	469,366
Total assets	343,326	408,066	518,755	660,698	729,095
Borrowings	120,268	169,699	207,305	301,412	225,876
Basic earnings per share (sen) ⁽¹⁾	2.23	2.29	2.71	2.79	2.64
Net asset per share (RM)	0.18	0.17	0.21	0.23	0.30

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

COMPANY OVERVIEW (Cont'd)

Highlights of the Group's financial information for the past five (5) financial years (Cont'd)

Note:

- (1) Basic earnings per share for the financial year ended ("FYE") 2016, FYE 2017, FYE 2018, FYE 2019 and FYE 2020 are calculated based on the Company's weighted average number of ordinary shares in Perak Transit issued as at 31 December 2016, 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020, respectively.

Financial Review

For FYE 2020, the Group is organised and managed into business units based on four (4) reportable segments as follows:

- i. Integrated public transportation terminal operations – Engaged in the rental of A&P spaces, shops and kiosks, project facilitation and others such as profit sharing from terminal management, car park fee and taxi entrance fee in Terminal Meru Raya and Kampar Putra Sentral.
- ii. Bus operations – Engaged in the operation of stage and express buses.
- iii. Petrol stations operations – Involved in sale of petrol and retail mart products.
- iv. Mining management operations – Engaged in the project management services.

There have been no changes on the basis of segmentation or on the basis of measurement of segment profit or loss from the previous annual audited financial statements, other than the new mining management operations in the current financial year.

Group Financial Performance

The Group's revenue of RM119.39 million for FYE 2020 decreased by approximately 4.09% compared to the FYE 2019 of RM124.49 million. The major contributor to the Group's revenue during the FYE 2020 was from the integrated public transportation terminal operations segment.

The Group's profit before tax had increased by 19.78% for FYE 2020 of RM49.02 million as compared to the FYE 2019 of RM40.92 million. The higher profit before tax for FYE 2020 was mainly due to higher contribution from the integrated public transportation terminal operations segment during the FYE 2020.

Integrated Public Transportation Terminal Operations Segment

The Group recorded revenue from this segment of RM70.96 million which accounted for 59.43% of the total revenue recorded for FYE 2020. The Group's revenue from this segment improved by RM15.12 million or 27.08% compared to the FYE 2019 of RM55.84 million. This increase was mainly due to an increase in rental of A&P spaces and higher project facilitation fee during the FYE 2020.

Bus Operations Segment

The Group's revenue from bus operations segment decreased from RM33.58 million during the FYE 2019 to RM25.51 million in FYE 2020 mainly due to the voluntarily halted of stage bus operations for approximately one and a half months during the FYE 2020 in a bid to contain the spread of Covid-19.

Petrol Stations Operations Segment

The Group's revenue from petrol station operations decreased from RM35.07 million during the FYE 2019 to RM22.90 million in FYE 2020. The decrease was mainly due to the lower sales volume and fuel price recorded during the FYE 2020.

Consolidated Statement of Financial Position

The non-current assets consist of property, plant and equipment ("PPE"), investment properties, goodwill on consolidation, deferred tax assets and contract cost. For FYE 2020, the non-current assets increased to RM656.08 million (FYE 2019: RM552.39 million) mainly due to the increase in PPE and investment properties resulted from the additional upgrading work at Terminal Meru Raya and Kampar Putra Sentral, of which the Group received the full certificate of completion and compliance during the FYE 2020.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)



COMPANY OVERVIEW (Cont'd)

Consolidated Statement of Financial Position (Cont'd)

The current assets of the Group consist of inventories, trade receivables, other receivables, contract assets, other assets, current tax assets, fixed deposits with licensed banks and cash and bank balances. The current assets for the FYE 2020 decreased to RM73.01 million from RM108.31 million in FYE 2019, which was mainly due to the decrease in fixed deposits with licensed banks and cash and bank balances to RM22.12 million (FYE 2019: RM75.78 million).

The non-current liabilities consist of non-current portion of borrowings, non-current portion of deferred capital grant and deferred tax liabilities. The non-current portion of borrowings had decreased to RM194.83 million (FYE 2019: RM282.92 million) mainly resulted from the partial early redemption of Sukuk Murabahah Programme.

The current liabilities of the Group consist of trade payables, other payables, current portion of borrowings, current portion of deferred capital grant, other liabilities and current tax liabilities. The major contributor of the current liabilities is borrowings of RM31.05 million (FYE 2019: RM18.49 million).

The equity of the Group consists of share capital, treasury shares, revaluation reserve, retained earnings and non-controlling interests. The major contributor of the equity is share capital of RM287.56 million.

DIVIDEND

In line with the good performance of the Group for FYE 2020, the Board had declared the following single tier dividends in respect of FYE 2020:

- A first interim dividend of RM0.0025 per share, paid on 20 May 2020 (FYE 2019: RM0.0025 per share, paid on 31 January 2019)
- A special dividend of RM0.0025 per share, paid on 15 September 2020 (FYE 2019: NIL)
- A second interim dividend of RM0.0025 per share, paid on 9 November 2020 (FYE 2019: RM0.0075 per share, paid on 18 December 2019)
- A third interim dividend of RM0.0025 per share, paid on 12 January 2021 (FYE 2019: NIL)

The Board does not recommend the payment of any final dividend in respect of FYE 2020. The total dividends for FYE 2020 is RM0.01 per share (FYE 2019: RM0.01 per share) and the total dividends declared and paid in respect of FYE 2020 were approximately RM17.43 million (FYE 2019: RM14.23 million).

ANTICIPATED OR KNOWN RISK

Operational, competition and business risks

Some of generic business risks that are inherent within the industry and may affect the Group include, among others, increased competition over costing and pricing, labour shortages, increases in labour costs, equipment and electricity tariffs as well as changes in general economic, business, credit and interest rate conditions and changes in the legal and environmental framework within which the industry operates.

Whilst noting that borrowing is essential to finance the Group's operations and growth, efforts are being made to minimise the risk of fluctuations of interest rates.

Dependency on key personnel

The continued success of the Group depends, to a significant extent, on the abilities and continued efforts of the directors and key management personnel and the Group's ability to attract and retain these individuals. A loss, without a suitable replacement in a timely manner could affect the Group's ability to remain competitive in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

OUTLOOK

Notwithstanding the current impact of the Covid-19 pandemic, the Group is of the view that public transportation will remain as essential need for the general public. The Group also believes that the demand for public transportation is set to grow in the foreseeable future, as the Malaysian economy gets back on course and the Government embarks on initiatives to develop and improve the public transportation system further. Therefore, the Group is well positioned to capitalise on any opportunities that may be presented in view of the Group's experience and track record in the public transportation sector.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Board of Perak Transit acknowledges the importance of the principles, intended outcomes and practices for good corporate governance set out in the Malaysian Code on Corporate Governance 2017 (“**MCCG**”) and is committed to ensure good corporate governance is practiced and applied throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and other stakeholders’ interest.

The Board is pleased to present to the shareholders the Corporate Governance Overview Statement which provides an overview of the Company’s commitment to apply the principles and practices with reference to the three (3) principles set out in the MCCG, except where stated otherwise, during the FYE 2020 under the leadership of the Board.

The three (3) principles set out in the MCCG are as follows:

- i. Board Leadership and Effectiveness;
- ii. Effective Audit and Risk Management; and
- iii. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement is made in compliance with Bursa Securities’ Main Market Listing Requirements (“**Listing Requirements**”). The extent of the application of each practice encapsulated in the principles of the MCCG is further presented in the Corporate Governance Report which can be viewed on the Company’s website at www.peraktransit.com.my.

SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS

Board Roles and Responsibilities

The Board retains full and effective control of the Company and plays an important role in defining the scope of corporate governance within the Group. This includes the responsibility for determining the Company’s overall strategic direction as well as development and control of the Company and of the Group.

As at the date of this Statement, the Board has seven (7) members comprising two (2) executive directors, including the Managing Director, and five (5) independent non-executive directors. More than half of the Board members are independent directors as recommended under Practice 4.1 of the MCCG.

The Company has appointed Dato’ Haji Mohd Gazali Bin Jalal as an independent non-executive director on 20 January 2021. In light of the appointment, the Board has considered that its members collectively possessed the appropriate competencies and attributes that enable the Board to discharge its responsibilities effectively, contribute to the Company’s strategic direction and oversee the delivery of its corporate objectives.

The balanced Board composition also enables the Board to provide clear and effective leadership to the Company and the Group and to bring informed and independent judgement to many aspects of the Group’s strategy and performance so as to ensure that the Group maintains the highest standard of conduct and integrity.

The profile of the Board members is set out on pages 6 to 9 of this Annual Report.

The functions reserved for the Board are clearly stated in the Board Charter adopted by the Board besides the discharge of their fiduciary duties.

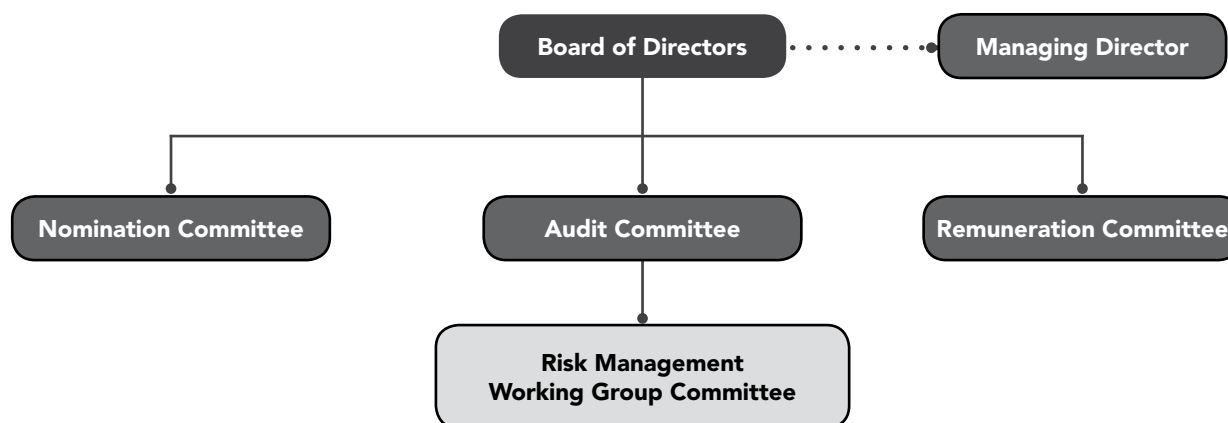
In order to assist the Board in the discharge of its responsibilities, the Board also delegates specific duties and responsibilities to three (3) Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, which operate within defined terms of reference. The Chairman 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Roles and Responsibilities (Cont'd)

The governance structure of the Board is as follows:



Board Meetings

During the FYE 2020, the Board held four (4) scheduled meetings on 25 February 2020, 20 May 2020, 19 August 2020 and 19 November 2020. All meetings are scheduled in advance at the end of the previous financial year to enable the directors to plan their schedule ahead for the new financial year. At the scheduled meetings, the Board reviewed and deliberated on the major operational and financial performance, risk management, internal audit findings, internal control system, corporate proposals, significant issues and opportunities for the Company and the Group, if any.

The Board meetings held on 20 May 2020 and 19 November 2020 were via video conferencing due to the Movement Control Order and travel restrictions implemented by the Malaysian government to curb the Covid-19 pandemic outbreak in the country. The members of the Board who participated via video conferencing are deemed to be present at the meeting and are entitled to vote or be counted in a quorum accordingly.

The details of meeting attendance of each individual director are as follows:

	Meeting attendance during their tenure in office in 2020
Tan Sri Dato' Chang Ko Youn (Chairman)	4/4
Dato' Sri Cheong Kong Fitt	4/4
Dato' Cheong Peak Sooi	4/4
Dato' Wan Asmadi Bin Wan Ahmad	4/4
Ng Wai Luen	4/4
Azian Binti Kassim	4/4
Dato' Haji Mohd Gazali Bin Jalal (appointed as director on 20 January 2021)	-

The Board Chairman

Tan Sri Dato' Chang Ko Youn is the independent non-executive Chairman of the Board. The Chairman is responsible for the oversight, leadership, effectiveness, conduct and governance of the Board.

Separation of Roles between the Chairman and the Managing Director

Dato' Sri Cheong Kong Fitt, the Managing Director, leads the management team. There is a clear division of responsibility between the Chairman and the Managing Director.

The Managing Director, supported by his management team, is responsible for the day-to-day management of the business and implementation of the Board's policies and decisions. The Managing Director also assesses business opportunities which are of potential benefit to the Company and the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

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 legislations, 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 the 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 well-documented. The Company Secretary also ensures that all resolutions of the Board and Board Committees are properly drafted and maintained.

Supply of Information

Each Board member receives the agenda of a Board meeting, followed by a full set of Board papers prior to the meeting. This enables the directors to have sufficient time to review the meeting materials to understand and evaluate the matters to be discussed before attending the meeting in order to contribute constructively during the meeting.

The directors have unrestricted and immediate access to all information within the Group whether as full board members or in their individual capacity, in furtherance to their duties. The directors also have direct access to the services of the Company Secretary who is responsible for ensuring the Board procedures are followed. The directors are entitled to obtain independent professional advice in the course of discharging their duties at the Company's expense.

Board Charter

The Board has adopted a Board Charter which 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 reviews the Board Charter from time to time to ensure its relevance in assisting the Board to discharge its duties in accordance to the 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 details of the Board Charter are available for reference on the Company's website at www.peraktransit.com.my.

Code of Conduct

The Board has adopted a Code of Conduct which sets 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 to and is responsible for the success of the Group.

The Board reviews the Code of Conduct when deemed necessary to ensure it remains relevant and appropriate and the details of the Code of Conduct are available for reference on the Company's website at www.peraktransit.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Anti-Corruption and Anti-Bribery Policy

The Board has adopted an Anti-Corruption and Anti-Bribery Policy across the Group with effect from 1 June 2020 which outlines the Group's position on anti-corruption and anti-bribery behaviour, the responsibilities of the directors, officers and employees of the Group to uphold all laws to combat corruption and bribery and the procedures on anti-corruption and anti-bribery that are guided by the Guidelines on Adequate Procedures issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The Board reviews the Anti-Corruption and Anti-Bribery Policy from time to time to ensure its relevance and to assess its effectiveness, and in any event, at least once every three (3) years.

The details of the Anti-Corruption and Anti-Bribery Policy are available for reference on the Company's website at www.peraktransit.com.my.

Whistle Blowing Policy

The Board has established a Whistle Blowing Policy to promote and support its culture of honest and ethical behaviour. The policy encourages the employees to raise any concerns and report instances of unethical, illegal or fraudulent behaviour or any other matter that may contravene the Company's Code of Conduct, Anti-Corruption and Anti-Bribery Policy or prevailing regulations and laws.

All reports will be investigated promptly and dealt with fairly and equitably. Actions will be taken based on the nature of the allegation and may be resolved by agreed action.

The Board reviews the policy when deemed necessary to ensure it remains relevant and appropriate and the details of the policy are available for reference on the Company's website at www.peraktransit.com.my.

Sustainability of Business

The Board recognises that it is important to integrate sustainability practices into the businesses of the Group and the sustainability practices are crucial in order for the Group to achieve continuous sustainable long-term growth. As such, the Board is committed to operate its business in accordance with economic, environmental and social responsibilities.

The details of the Sustainability Statement are set out on pages 29 to 56 of this Annual Report.

Tenure of Independent Directors

In determining the independence of individual directors, the Board, through the Nomination Committee, conducts assessment on the independent directors of the Company annually. In addition, each independent director is required to declare his or her independence annually.

The Board has not adopted a formal policy which limits the tenure of its independent directors to nine (9) years. Pursuant to the recommendation by the MCCG, the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth (12) year, the Board should seek annual shareholders' approval through a two-tier voting process.

All five (5) independent directors' tenure have yet to exceed the cumulative term of nine (9) years as at the end of the FYE 2020.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Diversity Policy

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 contributes positively to the performance of the Board which is vital to the sustainability of the Group's businesses. Currently, the Board has one (1) female director out of a total of seven (7) directors, representing approximately 14% of women participation in the boardroom. The Board will actively work towards identifying suitable female directors to be appointed to the Board. The Board recognises that the evolution of the diversity is a long process and weighs the various factors relevant to board balance and diversity when vacancies arise.

Overall, the Board is satisfied with the existing number and composition of the members and is of the view that the Board comprises a good mix of members with diverse experiences background to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses.

Sourcing and Nomination of Board Members

The Board, through the Nomination Committee, continuously reviews the composition of the Board and source for suitable directors considering the diversity in business background, area of expertise, skills, educational background, gender, and ethnicity as well as other factors that may provide the Board with a broader range of viewpoints and perspectives.

The Nomination Committee is responsible for proposing new nominees for appointment to the Board, and recommends to the Board for approval on the appointment, re-appointment, re-election and annual assessment of directors.

The Nomination Committee considers and recommends to the Board candidates of sufficient calibre, knowledge, integrity, reliability, professionalism and experience to fulfil the duties of a director. This Committee also considers the ability of the candidate to attend Board and Board Committees' meetings regularly and devote sufficient time and effort to carry out their duties and responsibilities effectively, and be committed to serve on the Board for an extended period of time.

Nomination Committee

The Nomination Committee comprises four (4) members, all of them are independent non-executive directors and is headed by the Senior Independent Director as the Chairman. 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.

During the FYE 2020, the Committee held two (2) meetings on 25 February 2020 and 19 November 2020.

The attendance of the members is as follows:

	Meeting attendance during their tenure in office in 2020
Tan Sri Dato' Chang Ko Youn (Chairman)	2/2
Dato' Wan Asmadi Bin Wan Ahmad	2/2
Ng Wai Luen	2/2
Dato' Haji Mohd Gazali Bin Jalal (<i>appointed as member on 9 April 2021</i>)	-

The activities carried out by the Nomination Committee during the FYE 2020, amongst others, included recommendations to the Board on the following matters:

- Determined the process to perform annual evaluation of Board, Audit Committee and Individual Director Assessment;
- Evaluated and assessed the individual directors, Board as a whole and the independent directors;
- Evaluated and assessed the performance of the Audit Committee as a whole and each of its members;
- Reviewed the eligibility of the retiring directors for the re-election at the Annual General Meeting ("AGM") of the Company; and
- Reviewed the trainings attended by the directors to ensure all directors have received appropriate continuous training programmes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Nomination Committee (Cont'd)

At the beginning of year 2021, the Committee has reviewed the profile of a new candidate, Dato' Haji Mohd Gazali Bin Jalal, and assessed the attributes of his core skill, knowledge, area of expertise and experience before recommending his appointment as an independent non-executive director of the Company to the Board for its approval.

The Nomination Committee also provides induction programme including site visits guided by the management, for new recruits to the Board as an integral element of the process of appointing new directors.

Board, Audit Committee and Individual Director Assessment

The Nomination Committee conducts annual assessment of each individual director under the evaluation process to ensure the effectiveness of the Board as a whole. The assessment of directors is an examination of each director's ability to contribute to the effective decision making of the Board.

The Nomination Committee also conducts annual review of the term of office and performance of the Audit Committee's members and the Audit Committee as a whole annually and assess whether the Audit Committee and its members have carried out their duties in accordance with its terms of reference.

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

Based on the results of the annual assessment, the Nomination Committee concluded that:

- The Audit Committee is competent and efficient in discharging and fulfilling their roles and responsibilities in accordance with its terms of reference;
- The Board structure is efficient and the performance of the Board is generally good;
- The Board is composed of directors with appropriate mix of skill and experience, has sufficient level of involvement and deliberation of relevant issues and has put in place adequate risk management procedures; and
- The independent directors have satisfied the criteria of independence as defined in the Listing Requirements.

Directors' Training

All directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The directors are encouraged to continuously update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable the directors to effectively discharge their duties and sustain active participation in the Board's deliberations.

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

The directors who have attended the training programmes are as follows:

- | | |
|--------------------------------|---|
| Tan Sri Dato' Chang Ko Youn | <ul style="list-style-type: none">• National AML/CFT Compliance Programme |
| Dato' Sri Cheong Kong Fitt | <ul style="list-style-type: none">• Navigating The Impact of Sustainability on the Investment Landscape |
| Dato' Cheong Peak Sooi | <ul style="list-style-type: none">• Navigating The Impact of Sustainability on the Investment Landscape |
| Dato' Wan Asmadi Bin Wan Ahmad | <ul style="list-style-type: none">• Invest Malaysia 2020 Virtual Series• Invest Malaysia 2020 : Advancing Malaysia 5G and Industry 4.0 |
| Ng Wai Luen | <ul style="list-style-type: none">• Tax Issues due to Covid-19 & Latest Tax Updates• MFRS 16 Leases• Impact on the Current Pandemic on MFRS 136 and MFRS 110• Transfer Pricing Developments in Asia Pacific• Deloitte TaxMax – The 46th Series Seminar |

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Directors' Training (Cont'd)

Azian Binti Kassim

- Digitalization Shaking Things Up
- In Depth Talk with Malaysia Healthcare Travel Council
- Woman at Work, Woman at Play
- Global and Domestic Economic Outlook
- Malaysia Post Covid-19: Short Term Recovery Plan for Economic Restart
- Shariah Investing
- Invest Malaysia Series 2

Remuneration Policy and Procedure

The Board, through the Remuneration Committee, establishes a transparent procedure for developing a policy on the remuneration packages of the executive and non-executive directors of the Company benchmarked against industry standards and market competitiveness in light of the performance of the Group in the industry.

The Remuneration Committee reviews the remuneration, fees, attendance allowance and other benefits for the executive and non-executive directors. The decision to determine the level of remuneration shall be the responsibility of the Board as a whole after considering recommendations from the Remuneration Committee. In addition, the fees of non-executive directors shall be subject to the ultimate approval of shareholders at the AGM.

Remuneration Committee

The Remuneration Committee comprises four (4) members, all of them are independent non-executive directors. 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.

During the FYE 2020, the Committee held two (2) meetings on 25 February 2020 and 19 November 2020.

The attendance of the members is as follows:

	Meeting attendance during their tenure in office in 2020
Dato' Wan Asmadi Bin Wan Ahmad (Chairman) (<i>redesignated as member on 9 April 2021</i>)	2/2
Tan Sri Dato' Chang Ko Youn	2/2
Ng Wai Luen	2/2
Dato' Haji Mohd Gazali Bin Jalal (<i>appointed as Chairman on 9 April 2021</i>)	-

The activities carried out by the Remuneration Committee during the FYE 2020, amongst others, include recommendations to the Board on the following matters:

- Reviewed the discretionary bonus for the executive directors for the FYE 2020;
- Reviewed the executive directors' remuneration for the financial year 2021; and
- Reviewed the non-executive directors' fees and benefits packages for the duration from the commencement of the forthcoming 12th AGM to be held in 2021 until the conclusion of the 13th AGM to be held in 2022.

Directors' Remuneration

The Board noted that the MCCG recommends the disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Accordingly, the aggregate remuneration of the directors received/receivable from the Company and its subsidiaries, categorised into appropriate components, for the FYE 2020 is as follows:

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

SECTION 1: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Directors' Remuneration (Cont'd)

Received from Company

(in RM)	Fees	Salaries and other emolument	Bonus	Benefit in kind	Meeting allowance	Total
Executive directors						
Dato' Sri Cheong Kong Fitt	-	89,920	-	-	6,000	95,920
Dato' Cheong Peak Sooi	-	74,640	-	5,304	6,000	85,944
Non-executive directors						
Tan Sri Dato' Chang Ko Youn	66,000	240	-	-	6,000	72,240
Dato' Wan Asmadi Bin Wan Ahmad	54,000	780	-	-	6,000	60,780
Ng Wai Luen	54,000	780	-	-	6,000	60,780
Azian Binti Kassim	54,000	780	-	-	6,000	60,780

Received on Group basis

(in RM)	Fees	Salaries and other emolument	Bonus	Benefit in kind	Meeting allowance	Total
Executive directors						
Dato' Sri Cheong Kong Fitt	-	636,968	106,250	22,700	6,000	771,918
Dato' Cheong Peak Sooi	-	502,344	87,500	22,704	6,000	618,548
Non-executive directors						
Tan Sri Dato' Chang Ko Youn	66,000	240	-	-	6,000	72,240
Dato' Wan Asmadi Bin Wan Ahmad	54,000	780	-	-	6,000	60,780
Ng Wai Luen	54,000	780	-	-	6,000	60,780
Azian Binti Kassim	54,000	780	-	-	6,000	60,780

Senior Management's Remuneration

The Board noted that the MCCG recommends the disclosure on a named basis the top five (5) senior management's remuneration components including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Board considered the information required of the top senior management's remuneration to be sensitive and proprietary in nature. The Board is of the view that the non-disclosure on named basis of the remuneration of the top senior management will not significantly affect the understanding and the evaluation of the Group's governance and will ensure the confidentiality of the remuneration of the top senior management.

SECTION 2: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee comprises four (4) members, all of them are independent non-executive directors. The Audit Committee provides assistance to the Board in fulfilling its oversight responsibilities of the financial reporting process, the system of internal controls, the audit process and the process of monitoring compliance with laws and regulations.

The members of the Audit Committee are sufficiently financially literate with good understanding of the Group's businesses to enable them to continuously apply a critical and probing view on the financial reporting process, transactions and other financial information, and effectively challenge management's assertions on the Group's financials.

The role and summary of the activities of the Audit Committee are described in more detail in the Audit Committee Report set out on pages 57 to 61 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



SECTION 2: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Financial Reporting

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

The Statement of Directors' Responsibility in relation to the preparation of the annual audited financial statements of the Company and of the Group is set out on page 65 of this Annual Report.

The Audit Committee assists the Board in scrutinising the financial reporting processes and quality of the financial reporting of the Group. This Committee, on a quarterly basis, reviews the quarterly interim financial reports and yearly financial statements to ensure accuracy, adequacy and completeness as well as to comply with applicable financial reporting standards and other regulatory and legal requirements.

Assessment of Suitability and Independence of External Auditors

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 external 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 is assigned to assess, review and supervise the performance, suitability, objectivity and independence of the external auditors of the Company, Messrs Moore Stephens Associates PLT ("**Moore Stephens**"). The Audit Committee maintains a transparent and professional relationship with the external auditors.

In determining the independence of the external auditors, Moore Stephens, the Audit Committee has carried out a review and assessment of the suitability, objectivity and independence of the external auditors based on the following:

- the performance, technical competency, audit quality, sufficiency of resources and allocation of audit staff assigned to the audit;
- the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
- the 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 Conduct and Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Based on the annual assessment, the Audit Committee is satisfied as to the suitability, objectivity, independence, technical competency and professionalism demonstrated by Moore Stephens which were in accordance with paragraph 15.21 of the Listing Requirements. Having regard to the outcome of the annual assessment of external auditors by the Audit Committee, the Board has agreed with the Audit Committee's recommendation to seek shareholders' approval at the forthcoming AGM on the re-appointment of Moore Stephens as external auditors of the Company for the financial year 2021.

Risk Management and Internal Control

The Board takes responsibility for the Group's risk management and internal control system and for reviewing its adequacy and integrity. The Board has formed a Risk Management Working Group Committee at management level which is headed by the Managing Director, and placed it under the purview of the Audit Committee to identify the risks and assess the findings in order to better manage the overall risk exposure of the Group. The formation of the Risk Management Working Group Committee allows the members of the Audit Committee to have more time to deliberate various risk issues affecting the Company and the Group at length.

The Board is of the view that the current system of risk management and internal control in place throughout the Group is sufficient to safeguard the Group's assets and shareholders' investment.

The Statement on Risk Management and Internal Control as set out on pages 62 to 64 in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

SECTION 2: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Internal Audit Function

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. The Company has outsourced the internal audit function to an independent professional service firm, JWC Consulting Sdn Bhd, to carry out independent internal audit services for the Company and the Group.

The summary of the internal audit activities during the financial year are set out in the Audit Committee Report on pages 57 to 61 in this Annual Report.

SECTION 3: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Shareholders and other Stakeholders

The Board acknowledges the importance of effective, transparent and timely dissemination of material information and has in place internal corporate disclosure procedures which enable comprehensive, accurate and timely disclosures relating to the Company to the shareholders, regulators and other stakeholders. These procedures also set out the authority and responsibility to approve such disclosure. In formulating these procedures, the Board is guided by the Investor Relations Policy and Corporate Disclosure Guide introduced by Bursa Securities whilst adhering with the corporate disclosure requirements as set out in the Listing Requirements.

The Company communicates with shareholders, other stakeholders and the public through various channels including Annual Reports, press releases, announcements, analyst and media briefings, roadshows and investor conferences. Announcements via Bursa LINK of Annual Reports, quarterly interim financial reports, corporate proposals and major business transactions provide the shareholders and the investing public with an overview of the Group's performance, operations and directions. Members of the public can obtain the Annual Reports, full financial results, quarterly interim financial reports and the Company's announcements on the Company's website at www.peraktransit.com.my. Notices of meetings of members and minutes of meetings of members are also available on the Company's website.

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

Conduct of Meetings of Members

The Board is aware that the meetings of members of the Company, primarily the AGM, are the principal forum for dialogue with shareholders. Notice of the AGM is sent out to shareholders at least 28 days before the date of meeting. The Annual Report and other accompanying documents are also made available to shareholders at least 28 days before the date of meeting.

The Board encourages participation from shareholders by having a question and answer session during the meetings of members. The directors, Chief Financial Officer and advisors are available to provide feedbacks, clarifications and responses to the questions raised by the shareholders during the meetings.

All resolutions set out in the notice of meetings of members of the Company are to be conducted by poll and an independent scrutineer is appointed to monitor the conduct of polling for each meeting of members.

At the last AGM held on 24 September 2020, poll voting was conducted in respect of all resolutions and Asia Securities Sendirian Bhd was appointed as scrutineers to verify the poll results. The outcome of the poll against the resolutions was announced at the same meeting and detailed results stating the votes cast were subsequently announced via Bursa LINK.

The Constitution of the Company also provides that meetings of members of the Company may be held using any technology or electronic means. On 29 December 2020, a fully virtual Extraordinary General Meeting ("EGM") was held through live streaming and online remote voting using the Remote Participation and Voting Facilities to enable shareholders to participate and to exercise their rights to speak and vote at the EGM, due to the Movement Control Order and travel restrictions implemented by the Malaysian government to curb the Covid-19 pandemic outbreak in the country.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



SECTION 3: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

Compliance Statement

The Board is satisfied that the Company and the Group has substantially complied with the practices of the MCCG throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

ADDITIONAL DISCLOSURE REQUIREMENT

i) UTILISATION OF PROCEEDS

There were no unutilised proceeds raised from corporate proposals during the FYE 2020.

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 2020 are as follows:

FYE 2020	Company (RM'000)	Group (RM'000)
Audit	52	140
Non-Audit	12	64

The non-audit fees included review of Statement of Risk Management and Internal Control and corporate tax services.

iii) OPTIONS, WARRANTS OR CONVERTIBLES SECURITIES

During the FYE 2020, 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 2020 or, if not then subsisting, entered into since the end of the previous financial year.

v) RECURRENT RELATED PARTY TRANSACTIONS

During the FYE 2020, the Company did not seek mandate from shareholders for the Company and its subsidiaries to enter into recurrent related party transactions of 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.

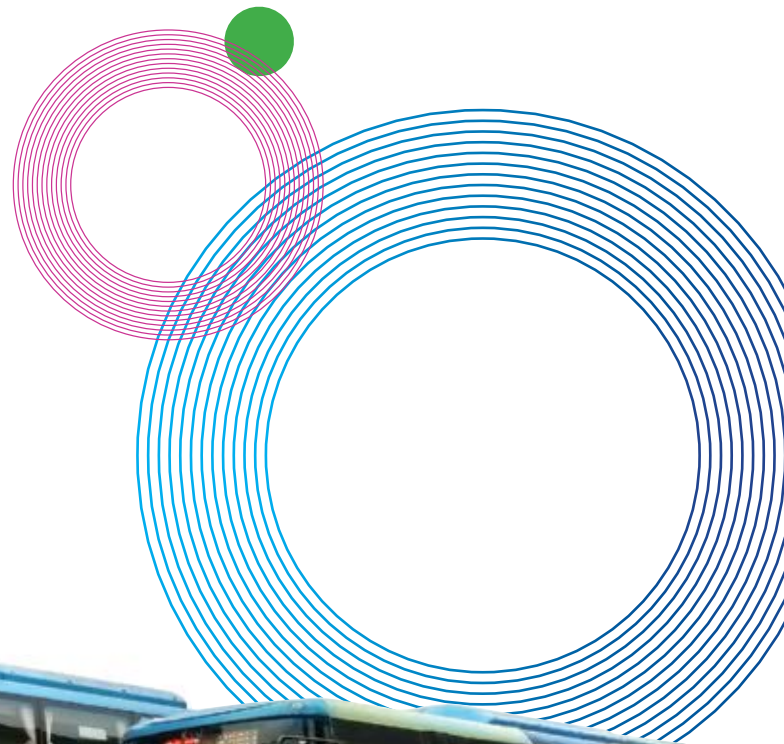
SUSTAINABILITY STATEMENT



ABOUT THIS STATEMENT

Reporting Focus

The Board of Perak Transit recognises that it is important to integrate sustainability practices into the businesses of the Group in order to achieve continuous sustainable long-term growth. This Statement highlights the major environmental and corporate social responsibility performance and sustainability achievements of the three (3) core business segments, namely integrated public transportation terminal operations, bus operations and petrol station operations. This Statement covers the performance of the Group during the FYE 2020 and will form the FYE 2020 as the base year for future sustainability reporting. Data and statistics in this Statement are presented as absolute figures and are normalised into comparable terms as far as possible. The Group strives to improve the internal processes, risk management and stakeholder relations continuously.



SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY HIGHLIGHTS



ABOUT THIS STATEMENT (Cont'd)

Reporting Principles

This Statement was prepared following the core option of the Global Reporting Initiative standards for sustainability reporting (“**GRI Standards**”) and the sustainability reporting guide (“**ESG Guide**”) issued by the Bursa Securities. In addition, the Group has taken into account the concerns of stakeholders as identified through engagement exercises such as sustainability material matrix surveys and customer surveys from different stakeholder groups.

STAKEHOLDER ENGAGEMENT

Stakeholder Engagement and Materiality Assessment

Stakeholder engagement exercises and materiality assessments provide a sound basis for the Group to develop its sustainability statement, as they help to identify the sustainability topics that are most relevant to both the operations and the shared interests of the stakeholders. The stakeholders include customers, media, employees, suppliers, investors and financiers, business partners, general public, and governments and regulators.

The Group has established several engagement programmes to gauge the stakeholder’s views on its operations and services. Communications with stakeholders are established through surveys as well as face-to-face meetings and investor briefings which are conducted from time to time.

SUSTAINABILITY STATEMENT (Cont'd)



STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Engagement and Materiality Assessment (Cont'd)

Based on the survey results and the materiality assessment conducted during the FYE 2020, the Group reviewed and validated the material topics to ensure a consistent and balanced representation of the Group's significant sustainability performance and impact. As a result, the following material topics have been prioritised for disclosure in the Statement with the corresponding boundaries specified.

Stakeholders			
Our business relies on partnerships and working with a range of stakeholders. Our stakeholder engagement, including topics of concern and management of issues, are listed below.			
Stakeholder group	Frequency and type of engagement	Topics of concern	How we manage the issue
Customers (existing and potential)	Frequency: Ongoing Type: Customer survey	<ul style="list-style-type: none"> Customer service 	<ul style="list-style-type: none"> Customer survey Address customer concerns
Media	Frequency: Frequent Type: Newspaper, social media, press release	<ul style="list-style-type: none"> Company performance Misconceptions about the Company Complaints on services 	<ul style="list-style-type: none"> Direct engagement Press statements/briefings To highlight effort through engagement and communication channel
Employees	Frequency: Regular, ongoing Type: Knowledge sharing session, internal customer engagement programme, internal customer satisfaction survey programme, innovation accelerator programme	<ul style="list-style-type: none"> The well-being of the Company and job security Staff welfare and benefits Safety environment at work Work competency 	<ul style="list-style-type: none"> Staff engagement programmes Implementation of environment, safety and health ("ESH") programmes involving employees Job-related training and workshops
Suppliers	Frequency: Occasional Type: Meetings, discussions	<ul style="list-style-type: none"> Compliance Cost efficiency Implementation of ESH 	<ul style="list-style-type: none"> Constant and regular communications Process improvement Engage and share concerns with relevant parties
Investors and financiers	Frequency: Annual, quarterly, ongoing Type: Annual general meeting, announcements, press releases, briefings, meetings	<ul style="list-style-type: none"> Compliance Financial performance at the expense of environmental and/or social well-being Business risks Soft market conditions Negative public perception 	<ul style="list-style-type: none"> Regular audit Constant engagement and sharing of strategy
Business partners	Frequency: Ad hoc Type: Meetings, discussions	<ul style="list-style-type: none"> Implementation of ESH 	<ul style="list-style-type: none"> Communication Engage and share concerns with relevant parties
General public	Frequency: Ad hoc Type: Dialogue, engagement	<ul style="list-style-type: none"> Environmental and social well-being 	<ul style="list-style-type: none"> Communication via reporting, environmental conservation activities Corporate social responsibility activities
Governments and regulators	Frequency: Regular, ongoing Type: Meetings, pre-consult submission, periodical reporting	<ul style="list-style-type: none"> Compliance 	<ul style="list-style-type: none"> Responsible reporting and communications Monitoring of compliance

SUSTAINABILITY STATEMENT (Cont'd)



STAKEHOLDER ENGAGEMENT (Cont'd)

Reporting Boundaries and Material Matrix

Based on the survey results and the material assessment conducted during the FYE 2020, the Group validated the material topics and it helps to ensure a consistent and balanced representation of the Group's significant sustainability performance and impact.

The reporting boundaries concerned are within three (3) core areas of business which are integrated public transportation terminal operations, bus operations and petrol station operations.

Reporting Boundaries

Material Matrix	Integrated Public Transportation Terminal Operations	Bus Operations	Petrol Station Operations
Environment			
Energy and Efficiency	√	√	√
Measures Emissions	√	√	√
Effluents and Waste	√	√	√
Green Procurement		√	√
Employees			
Employment	√	√	√
Training and Education	√	√	√
Staff Communication	√	√	√
Occupational Health and Safety	√	√	√
Social			
Customer Health and Safety	√	√	√
Community Engagement	√	√	√

The engagement activities such as surveys as well as face-to-face meetings and investor briefings provided the Company with constructive comments and suggestions. The Group appreciates the valuable feedback and will strive to address the expectations through continuous improvements.

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (Cont'd)

Corporate Governance

With a commitment to conduct the business in line with the best corporate governance practices, the Group aims to achieve sustainable business development by considering the interest of the stakeholders, while ensuring compliance with legal and regulatory requirements. An integrated management approach is adopted to guide the sustainable development of the Group based on the principles of integrity, equity and transparency and this approach is strengthened by on-going staff training and communication with all stakeholders.

The Board as the highest governance body is responsible for promoting the long term development of the Group and for growing shareholder value. As at the date of this Statement, the Board comprises of two (2) executive directors and five (5) independent non-executive directors. The profile of the Board members is set out on pages 6 to 9 of this Annual Report.

The overall strategic planning and accountability for the Group's sustainable development rests with the Board, which determines the sustainability strategy and oversees its progress across the Company. Under the oversight of the Board, the Managing Director, supported by his management team, acts as the bridge between the Company and its subsidiaries in driving sustainable initiatives throughout the operations, including safety, environment protection, staff welfare, community engagement and volunteering. The management team is responsible for optimising environmental performance, increasing staff awareness on corporate social responsibilities and sharing of best practice with the industry.

The Group's enterprise risk management uses consistent risk assessment criteria to provide a systematic approach to the timely identification and management of risk. Accurate and concise risk information is made available to assist management in decision-making and risk control by adopting risk treatments of cost effectiveness and efficiency. Meanwhile, with the enterprise risk management, the management monitors and reviews risk levels, to ensure that the risk exposure remains within an acceptable level. The details of the Corporate Governance Overview Statement are set out on pages 17 to 27 of this Annual Report.



SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (Cont'd)

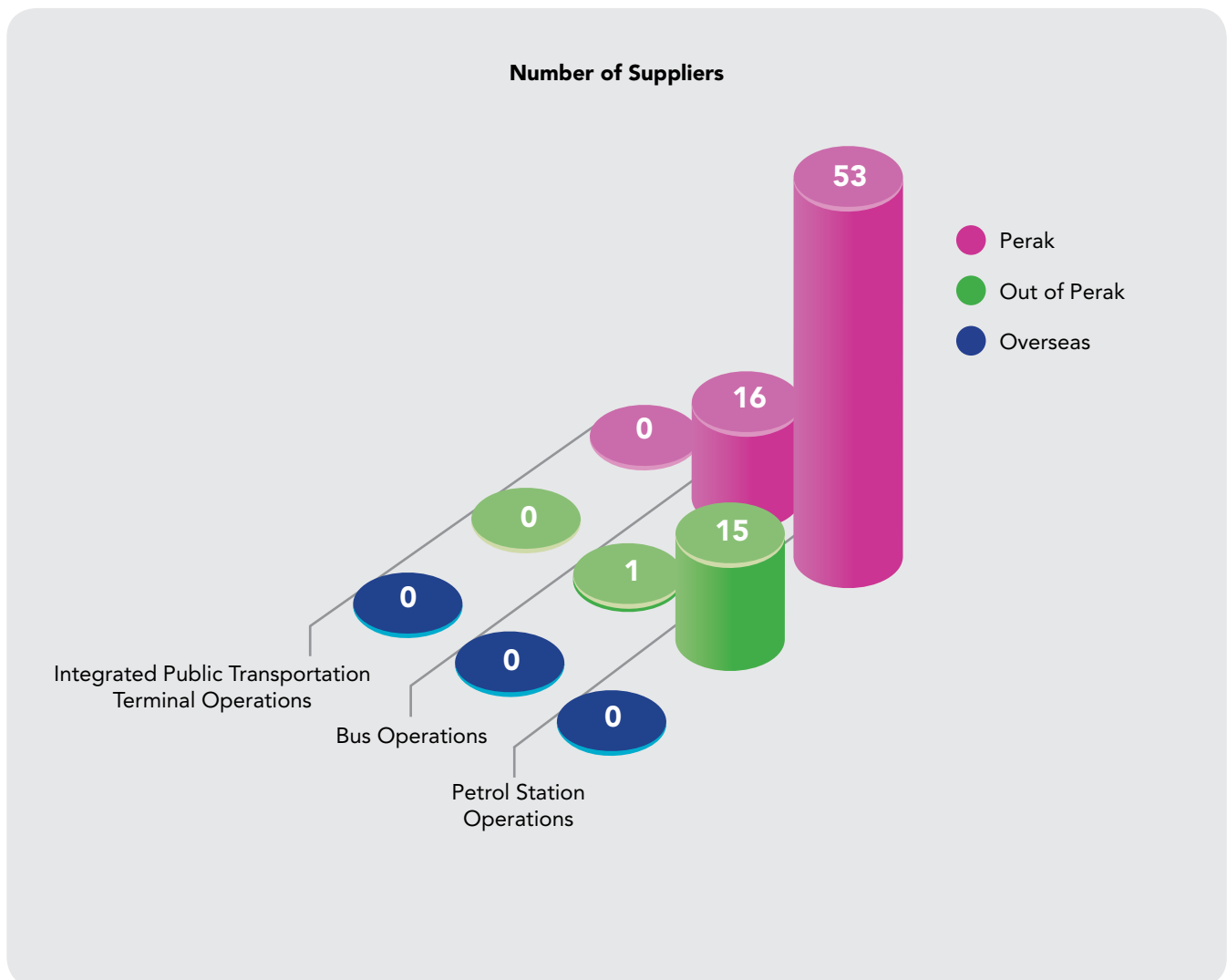
Anti-Corruption and Anti-Bribery Compliance

The Group is committed to conduct its business activities properly and lawfully and adhere to the Anti-Corruption and Anti-Bribery Policy adopted by the Group on 1 June 2020. By adopting the T.R.U.S.T principles, the Group strives to follow the Adequate Procedure Guidelines as mentioned in the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**Act**"). The details of the Anti-Corruption and Anti-Bribery Policy are available for reference on the Company's website at www.peraktransit.com.my.

The Group will continue to provide training and/or communication to all parties associated with the Group to ensure that all parties dealing with the Group complies with the Anti-Corruption and Anti-Bribery Policy. In addition, the Group has not committed any offence under the Act during the FYE 2020. The Group will continue its due diligence on all of its operations to eliminate and prevent any occurrence of corruption and bribery within the Group.

Working with Suppliers

The Group believes in upstream integrated supply chain management with an emphasis on quality and logistics control. The Group encourages fair and open competition with the intention to develop a long-term relationship with suppliers based on mutual trust. During the FYE 2020, the Group worked with approximately 85 suppliers, of which 100% are locally sourced.



The Group intends to continue to support local procurement where possible. Suppliers are evaluated based on quality, pricing and services rendered.



Your Satisfaction, Our Priority

Kepuasan Anda, Keutamaan Kami



Sanitisation at terminals



Hand sanitiser prepared for passengers upon entry



CCTV cameras in all buses



Seat belt

SUSTAINABILITY STATEMENT (Cont'd)

SAFETY FIRST

The Group places emphasis on the safety of its vehicles and care for its passengers as well as its employees.

Safety Policy

The Group's safety policy provides a safe and healthy environment for everyone who may be affected by the operations. It is the objective to minimise the risk of injury and ill-health among the employees and passengers.

Safety is the pre-requisite in everything the Group does and is an integral part of the business strategy or operations. Employees at all levels are required to comply with all legal requirements and other requirements applicable to the work practices. The Group will continue to maintain the safety risks as low as practicably possible and strive for continual improvement in safety performance.

The Group has established a safety committee under the bus operations during the FYE 2019 to ensure that the safety protocols are executed.

Safety Committee

A safety committee is established to ensure that the information on the occupational safety and health risks, trends and policies are properly communicated to all employees involved in the bus operations. A safety committee meeting is held weekly to achieve these objectives.

Other Policies

Safety Hazard Identification, Risk Assessment and Incident Investigation

The Group has also identified areas of high risk in workplace safety and takes proactive actions in training its employees and maintaining communications with the customers to mitigate this risk.



Bus Safety Facilities and Maintenance

In ensuring the safety of the bus drivers and the passengers, the buses of the Group are well maintained and regularly serviced. The Group currently has 152 buses comprising stage buses, express buses and Perak Hop-On Hop-Off buses. All the buses of the Group undergo a strict maintenance schedule which includes monthly servicing and a half yearly or yearly inspection by PUSPAKOM.

Bus Sector		No. of Fleet
1	Stage Bus	107
2	Express Bus	40
3	Perak Hop-On Hop-Off Bus	5

The Group ensures that all buses are sent to PUSPAKOM for inspection annually or every half yearly. Global positioning systems ("GPS") and closed-circuit television ("CCTV") cameras are installed in the buses to provide security to the bus drivers as well as the passengers.

When it comes to personal data protection, the Group has established proper guidelines to prevent inappropriate disclosure of personal data. Stickers are posted on all buses to inform passengers of the presence of the CCTV cameras. Recordings from the CCTV cameras will only be assessed by authorised persons for security and incident investigations.



SUSTAINABILITY STATEMENT (Cont'd)

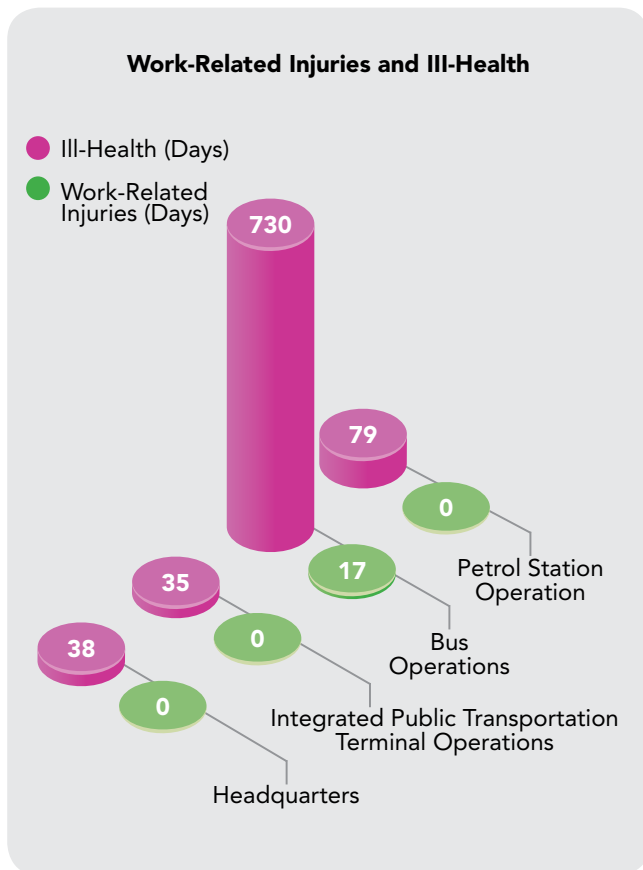


SAFETY FIRST (Cont'd)

Work-Related Injuries and Ill-Health

During the FYE 2020, there was one (1) minor work-related injury under the bus operations. The total lost days due to this injury was 17 days. No occupational accident which involved death took place.

Based on the table below, the Group reported the total number of medical leave taken during the FYE 2020, contributing to a total productivity loss days of 899 days.



Occupancy Safety and Health Training and Participation

Safety Training

The Group places importance on staff knowledge and comprehensive training to all recruits and a refresher course in instilling safe driving mindset and bus route knowledge. The Group also offers a series of training courses, remedial training and bus type training as well as advance manoeuvring training for all its bus drivers.

During the FYE 2020, the Group has conducted around 1544 hours of training for all levels including the bus drivers.

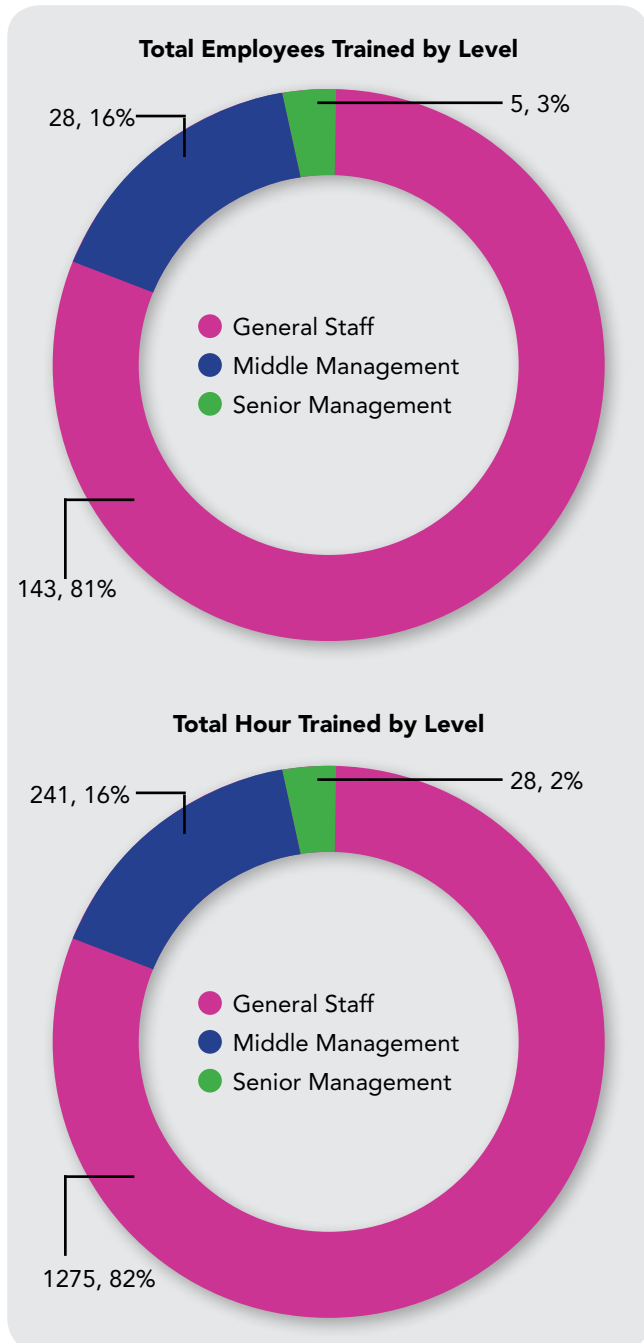


SUSTAINABILITY STATEMENT (Cont'd)

SAFETY FIRST (Cont'd)

Occupancy Safety and Health Training and Participation (Cont'd)

Safety Training (Cont'd)



In light of the Covid-19 pandemic outbreak, the Group has taken all necessary steps to comply with the standard operating procedures issued by the Ministry of Health Malaysia. The Group places importance in having thermometer, hand sanitiser and MySejahtera QR code at all entry points, and ensuring that all patrons practise social distancing and wear a face mask before entering into the terminals, buses and petrol stations.

Integrated Public Transportation Terminal Operations

The Group develops, owns and operates two (2) integrated public transportation terminals in Perak, namely Terminal Meru Raya and Kampar Putra Sentral. The safety of the patrons is the Group's priority, thus the Group has proper safety procedures to ensure that the patrons are safe and secure in the terminals.

Approximately 110 and 44 units of CCTV cameras are installed at Terminal Meru Raya and Kampar Putra Sentral, respectively. More CCTV cameras are expected to be installed at Kampar Putra Sentral subsequently.

Bus Operations

Maintenance Depot

The Group has a workshop in Gopeng for repair and maintenance of its own buses. The foremen are properly equipped with personal protective equipment to ensure their safety during work.



SUSTAINABILITY STATEMENT (Cont'd)

SAFETY FIRST (Cont'd)

Petrol Station Operations

The Group strictly adheres to the health, safety, security and environment policy and procedures, and the emergency response plan imposed by the oil companies.



CARE FOR THE CUSTOMERS

During the FYE 2020, the stage buses operated by the Group have an average age of seven (7) years, which is much lower than the normal useful life of fifteen (15) years for stage buses. Besides that, the express buses operated by the Group have an average age of four (4) years, which is also much lower than the normal useful life of ten (10) years for express buses. The buses are currently operating under Euro II and III which will help to reduce the emission and to improve the air quality within the bus routes. Centralised GPS and CCTV cameras are installed in the buses to provide safety and comfort to the passengers.

In collaboration with Touch 'n Go and NEC Corporation of Malaysia, the Group has officially launched a cashless bus fare payment system in January 2020 for myBAS Ipoh, its public bus service operating in Ipoh, Perak. myBAS Ipoh is the first bus network to offer a cashless commuting experience in Malaysia and has been operational since October 2019. With this cashless payment system, passengers of myBAS Ipoh are now able to pay for their trip by tapping any Touch 'n Go cards (including Touch 'n Go enable IC) to the card readers installed inside the coaches. This system gives commuters a seamless boarding process, offering greater convenience and enhances the Group's operations. The Group is able to obtain accurate information such as the number of passengers boarding and alighting at each stop at any time. With this data, the Group can improve its current services and plan for future routes more efficiently. Besides offering more convenience to passengers, the move is also part of the Malaysian Government's efforts towards digitalising the economy and creating a cashless society.

SUSTAINABILITY STATEMENT (Cont'd)

CARE FOR THE CUSTOMERS (Cont'd)

The Group has installed the terminal management system ("TMS") which consists of the centralised ticketing system ("CTS"), terminal operating system ("TOS") and public information display system ("PIDS") in Terminal Meru Raya and Kampar Putra Sentral. The ticketing counters for sale of bus tickets have been replaced with the CTS solution and counters. The CTS solution entails installation and deployment of point-of-sale system for counters which are integrated with TOS and PIDS solution. The TOS and PIDS solution encompasses among others, bus schedule display system and real time monitoring of buses arrivals and departures to or from Terminal Meru Raya and Kampar Putra Sentral. These have essentially centralised the express bus operation in Terminal Meru Raya and Kampar Putra Sentral, which are expected to benefit the passengers in the following manner:

- Providing a centralised, well-connected, accessible, convenient and reliable transportation terminal;
- More effective dissemination of information pertaining to bus schedules or notification on bus schedule changes; and
- Improving the comfort and safety of passengers.

CARE FOR THE ENVIRONMENT

The Group recognised the potential environmental impact from the integrated public transportation terminal operations, bus operations and petrol station operations and are committed to mitigate and minimise these impact in the following ways:

1. Preventing pollution and continually improving the environmental performance;
2. Conserving resources by reducing waste at source, and recycling and reusing resources;
3. Minimising and controlling emission from buses by adopting control measures and regular repair and maintenance;
4. Enhancing staff environmental awareness by providing trainings concerning the potential environmental impacts arising from the operations;
5. Responding to environmental enquiries from stakeholders promptly and ensuring effective communication on environment internally; and
6. Ensuring compliance with all applicable local environmental by-laws and other relevant requirements.

Exploring Renewable Energy Technologies

The Group strives to improve the environmental performance by exploring various kinds of renewable energy technologies. The Group plans to install solar photovoltaic system at the terminals to reduce emissions and reliance on electricity supply.

Greenhouse Gas Emission

The Group will explore various ways to minimise its greenhouse gas emissions through judicious application of the technologies and relevant measures.

The total direct greenhouse gas emissions (Scope 1) are 9,204,938 kg CO₂ of carbon dioxide ("CO₂"). The total carbon intensity is around 50,423 kg CO₂ per bus and 5.5 kWh per square feet for Terminal Meru Raya.

Emissions Reduction

The Group will strive to deploy the technology in reducing greenhouse gas emissions and maintain good air quality within the bus fleets, maintaining and servicing chiller systems at the terminals and as well as operating low-emission buses.

Consumption and Waste

The Group takes all practicable measures to reduce the consumption of resources and streamline the waste disposal procedures and aims to handle and dispose of all materials in compliance with present laws and regulations in a responsible manner without creating risk to human health or the environment.

SUSTAINABILITY STATEMENT (Cont'd)

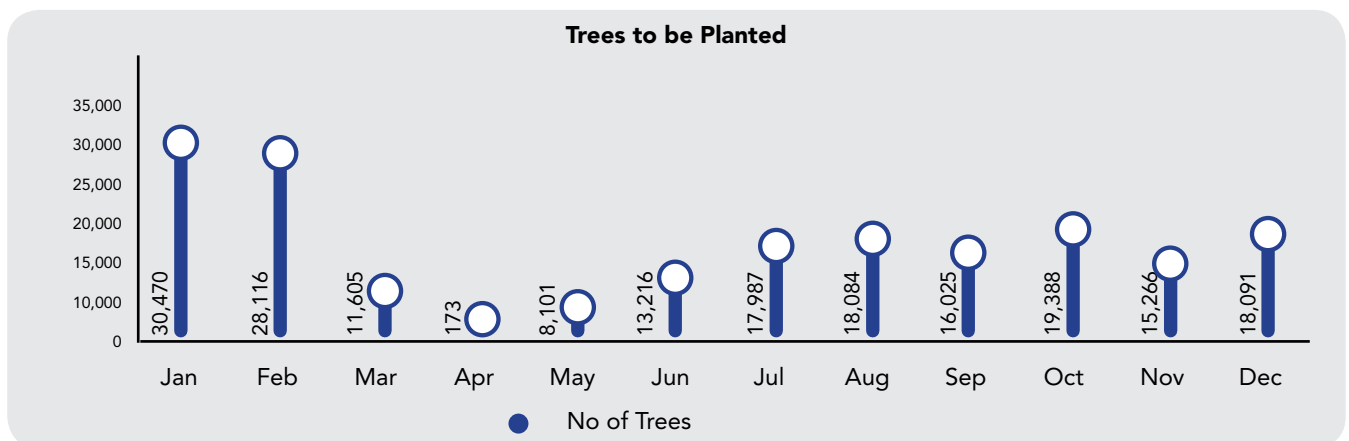
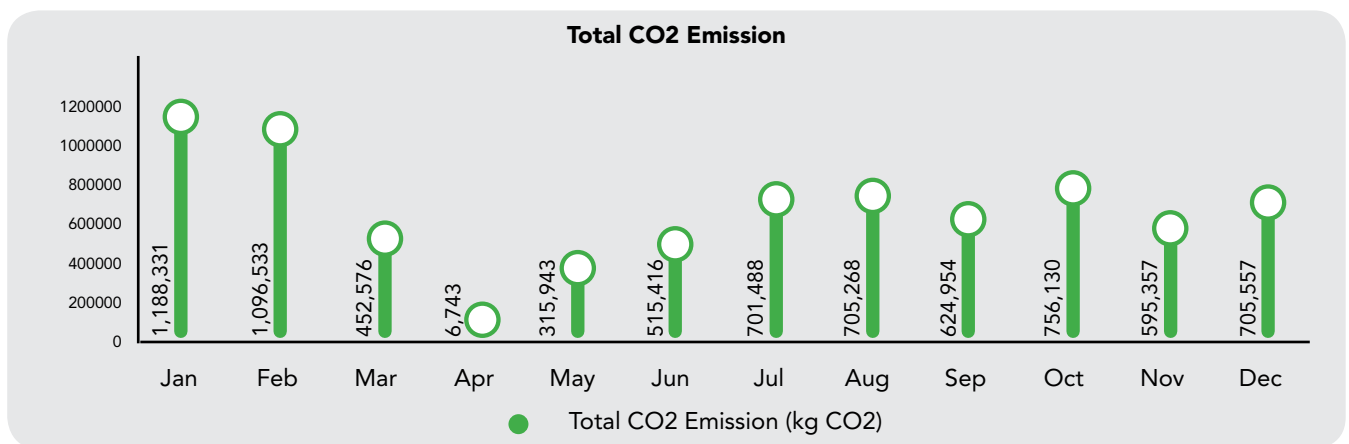
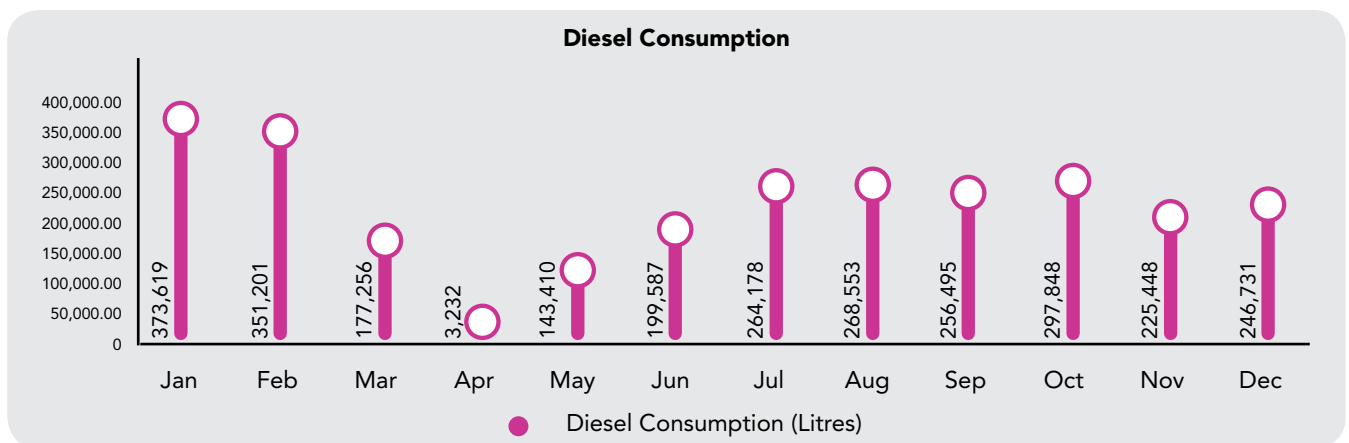


CARE FOR THE ENVIRONMENT (Cont'd)

Energy Consumption

The Group consumed approximately 2,807,558 litres of diesel in the FYE 2020 under the bus operations. The Group has implemented several measures to reduce its diesel consumption through proper fleet maintenance and schedule repairs.

The chart below shows the diesel consumption of the Group. The FYE 2020 shows that 2,807,558 litres of diesel consumed will generate around 7,664,296 kg CO₂ of CO₂ emission and it takes around 196,522 trees to be planted to absorb the greenhouse gas emissions.



The intensity of the diesel consumption per bus is around 18,471 litres while the intensity for CO₂ emission and trees to be planted per bus is around 50,423 kg CO₂ and 1,293 trees, respectively.

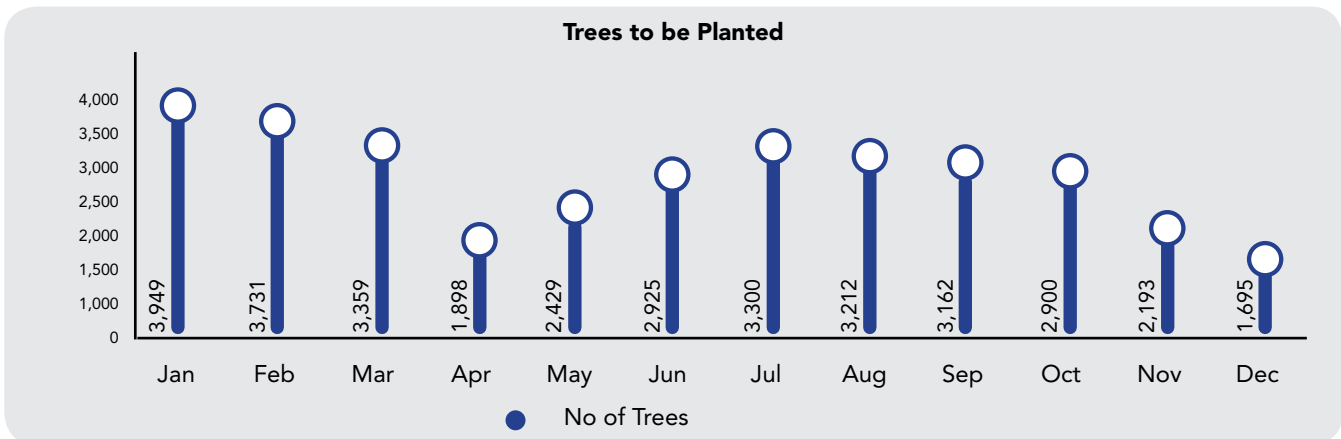
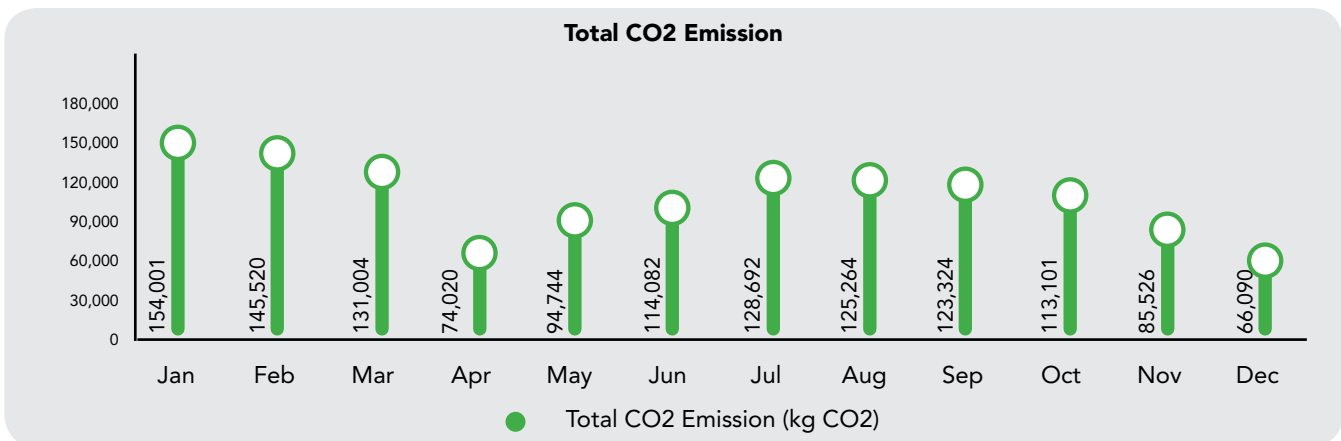
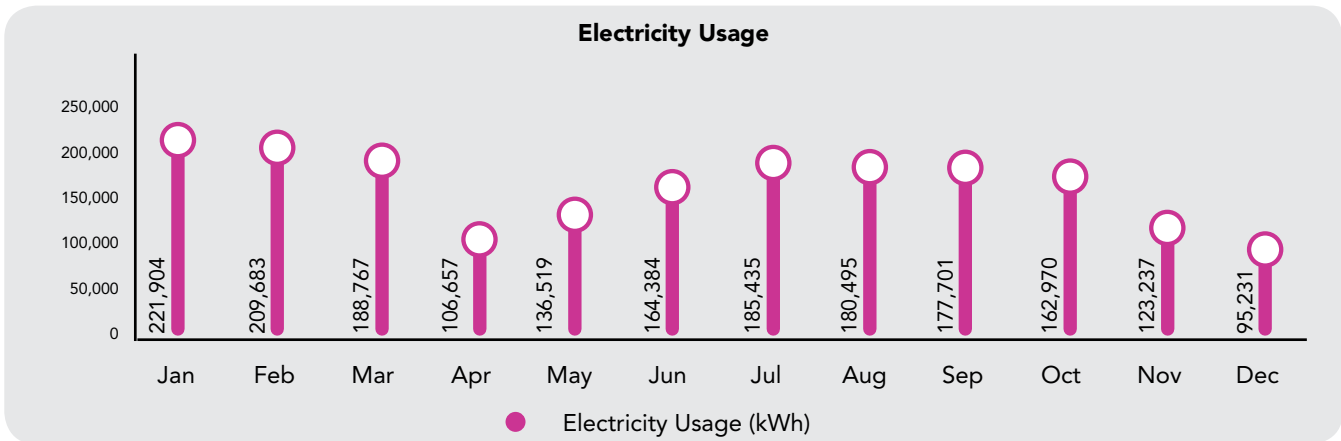
SUSTAINABILITY STATEMENT (Cont'd)

CARE FOR THE ENVIRONMENT (Cont'd)

Electricity Consumption

The Group consumed approximately 1,952,983 kWh of electricity in the FYE 2020. The energy intensity for Terminal Meru Raya by electricity was around 5.5 kWh per square feet. The Group will continue to explore various methods in the reduction of electricity consumption and environment initiatives. The Group plans to install solar photovoltaic system at the terminals to reduce the consumption of electricity. The Group also plans to use LED lightings within the terminals in a bid to reduce the electricity consumption.

The total CO2 emission of the Group is around 1,355,368 kg CO2 and it takes around 34,753 trees to be planted to absorb the CO2 emission.



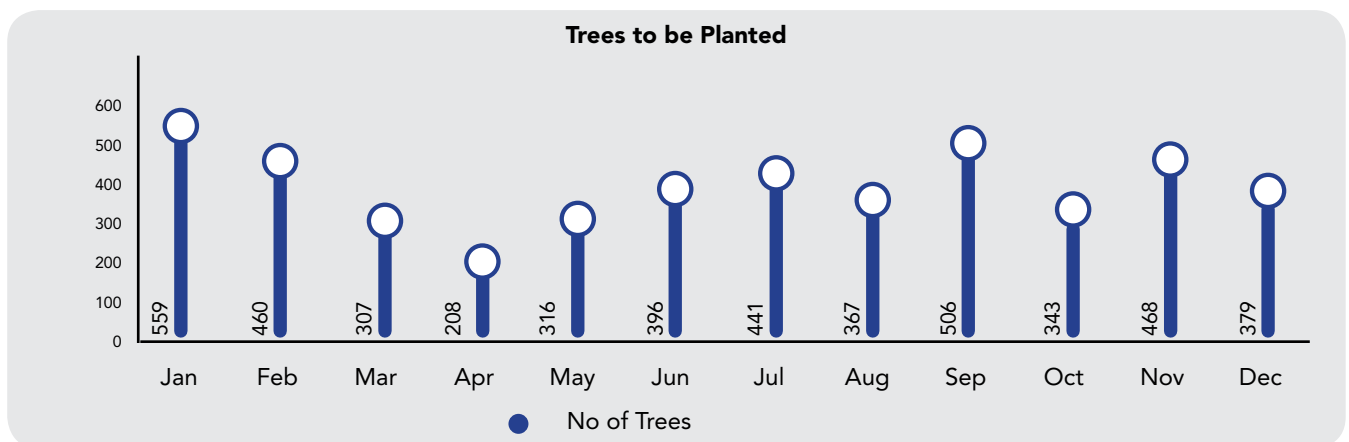
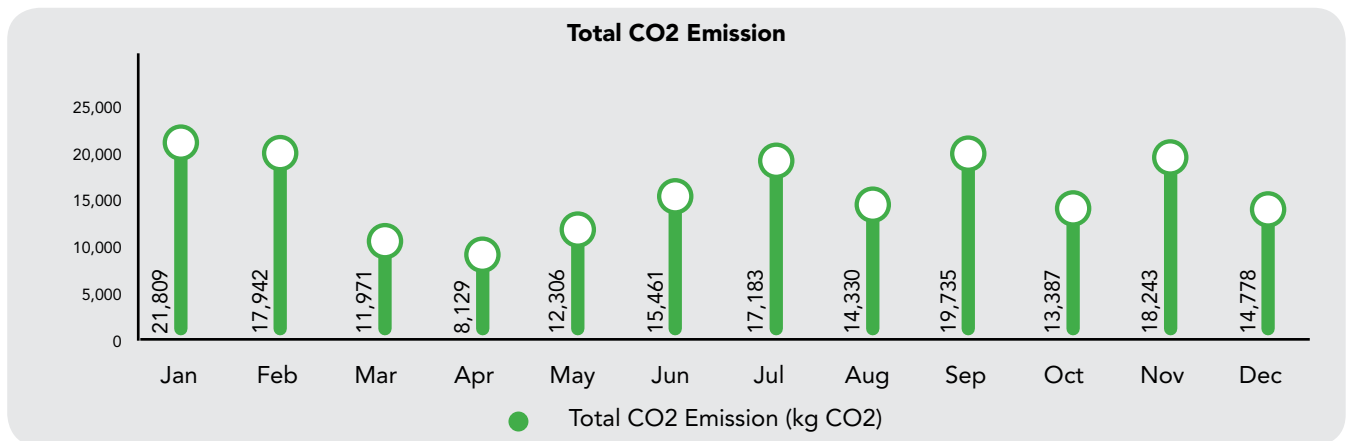
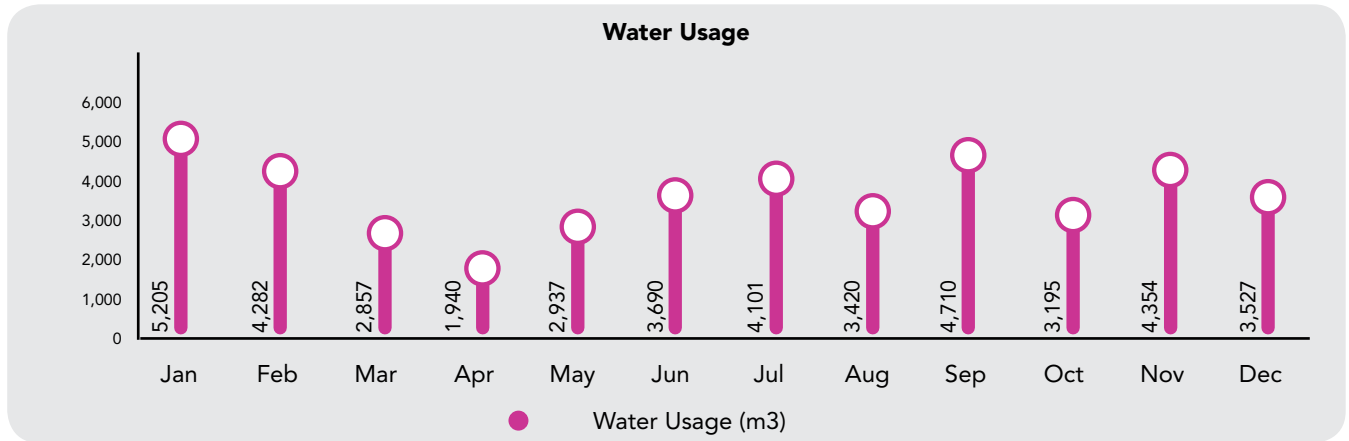
SUSTAINABILITY STATEMENT (Cont'd)



CARE FOR THE ENVIRONMENT (Cont'd)

Water Consumption

The Group is committed as a responsible corporation in reducing water consumption. The Group consumed approximately 44,218 m³ in the FYE 2020. The total CO₂ emission of the Group is around 185,274 kg CO₂ and it takes around 4,750 trees to be planted to absorb the CO₂ emission.



SUSTAINABILITY STATEMENT (Cont'd)

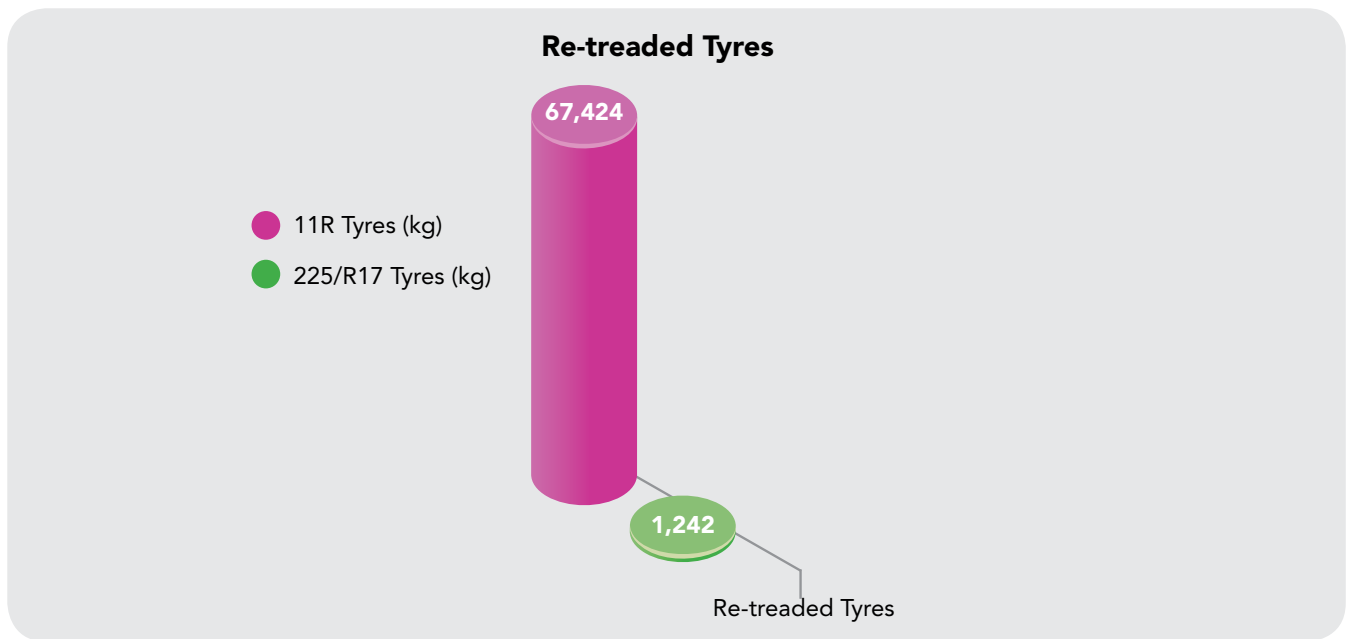
CARE FOR THE ENVIRONMENT (Cont'd)

Waste Generation

The Group is committed to good waste management through responsible storage and disposal of waste, recycling and reusing resources whenever feasible. Significant types of waste generated in the Group's operations are reported as follows:

Tyres

In the FYE 2020, the Group disposed of a total of 306 tyres of various sizes and a total of 1,250 tyres are re-treaded by the Group's appointed contractor. This is equivalent to a total of 68,666 kilograms of tyres being re-treaded as shown in the graph below and a total of 16,643 kilograms of tyres were disposed of by the appointed contractor according to the Department of Environment regulations.



Oil and Chemicals

In the FYE 2020, the engine oil, lubricating oil and hydraulic oil of the buses were treated and stored according to the Department of Environment guidelines before disposed of by the appointed waste disposal contractor. The Group also disposed of a total of 530 batteries to the appointed recycle contractor according to the waste regulations.

Green Measures in the Office

Go Green initiative initiated by the office in setting an example of how best to reduce emissions. The air-conditioning thermostats are set to 25 Celsius to conserve energy and protect air quality in line with the Group's conservation effort.

Without them,
we won't be where we are today.

Care for the Employees



SUSTAINABILITY STATEMENT (Cont'd)

CARE FOR THE EMPLOYEES

Human Resource Policy

The Group places importance on its employees' well-being and the employees are viewed as the Group's greatest asset. As part of the Group's human resource policy, the Group adopted a comprehensive set of policies in relation to recruitment, payroll, leave application, performance appraisal, disciplinary action and resignation. The Group adheres to the regulations of Employment Act 1955, Employees Provident Fund Act 1991, Employees Social Security Act 1969, Income Tax Act 1967 and Employment Insurance System Act 2017.

The Group has a whistle-blowing policy for employees of the Group to channel their grievances on all matters concerning their employment. As an equal opportunity employer, we are committed to ensure that no job applicant or employee is discriminated on the grounds of race, ethnicity, age and gender. In collecting personal data from job applicants and employees, the Group complies with the requirements of the Personal Data Protection Act 2010, to use the data solely for its intended purpose.

Staff Benefits

The Group strongly believes that its employees are the key drivers for business growth and sustainability of the operations. Apart from retaining existing talents, the management has always been actively seeking out dynamic, talented and skilled individuals to contribute to the Group and share in its success. The Group strives to provide a safe and comfortable work environment for all our employees, and uphold to take care of their well-being and ensure job satisfaction. Furthermore, the Group also offers attractive remuneration package to all employees to reward them for their contributions to the Group. Feedbacks from the employees are considered seriously in order to improve the working environment and increase employee engagement. The Group also empowers its workforce through training and skills development programmes for the employees, which include technical and operational skills training, so that employees are equipped with the necessary knowledge and skills to carry out their duties effectively.

During the FYE 2020, the Group provided free veggie lunch to its employees once a week using recycled container as part of the Go Green initiative.



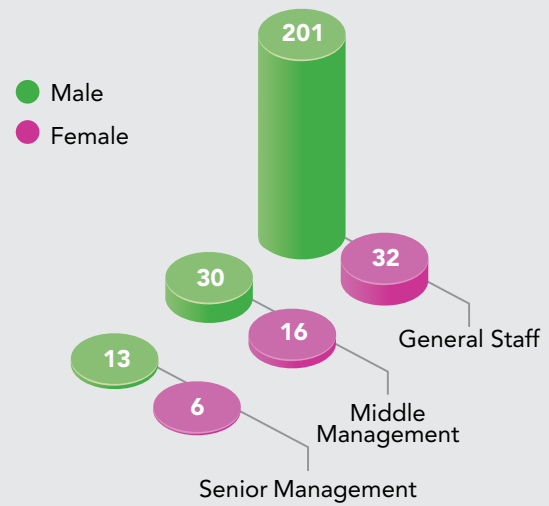
Staff Diversity

The Group has a diverse workforce and believes that the strength of a diverse workforce is essential for the success of the business. Despite having a diverse workforce, no employee is discriminated in any way and is treated equally with respect and dignity regardless of race, ethnicity, age and gender.

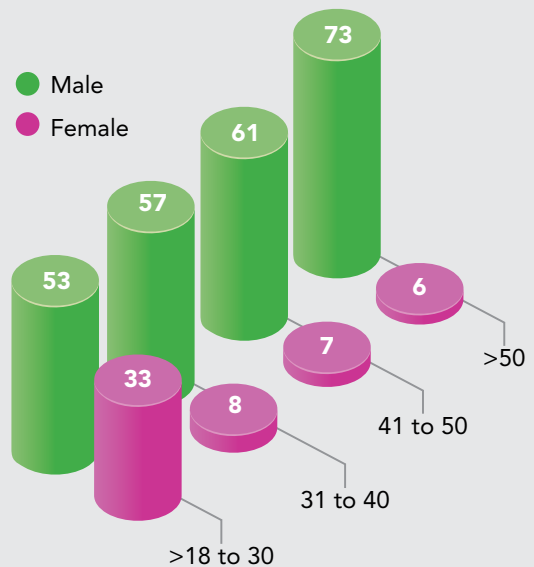
During the FYE 2020, the Group does not have any incident related to the race, ethnicity, age and gender discrimination.

The Group employed a total of 298 employees and the diversity of the employees is shown below.

Diversity of Employees by Level



Diversity of Employees by Age

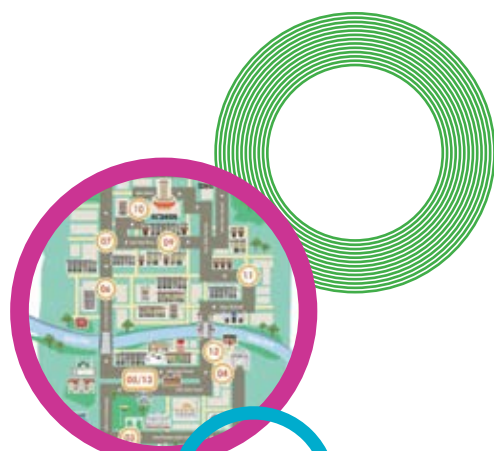
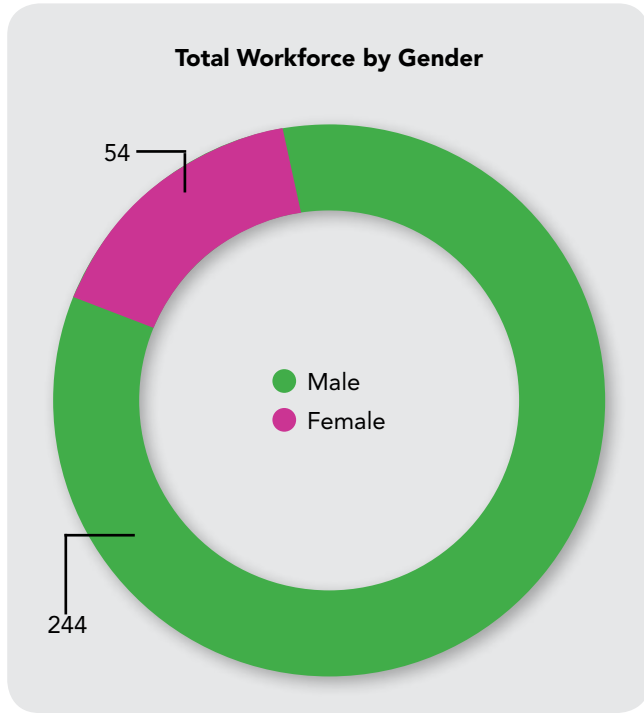


SUSTAINABILITY STATEMENT (Cont'd)



CARE FOR THE EMPLOYEES (Cont'd)

Staff Diversity (Cont'd)

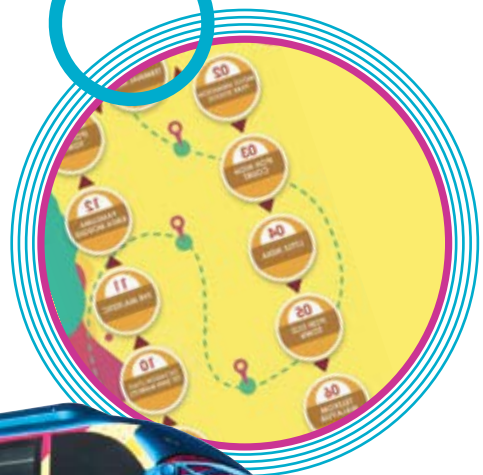


Child Labour

The Group does not employ children under the age of 18 and the Group ensures that it does not contravene the Children and Young Persons (Employment) Act 1966.

ENGAGING STAKEHOLDERS

The Group engages with its stakeholders through various communications including social media. Other communication means include dissemination of information through the Annual Reports, press releases, announcements, analyst and media briefings, roadshows and investor conferences.

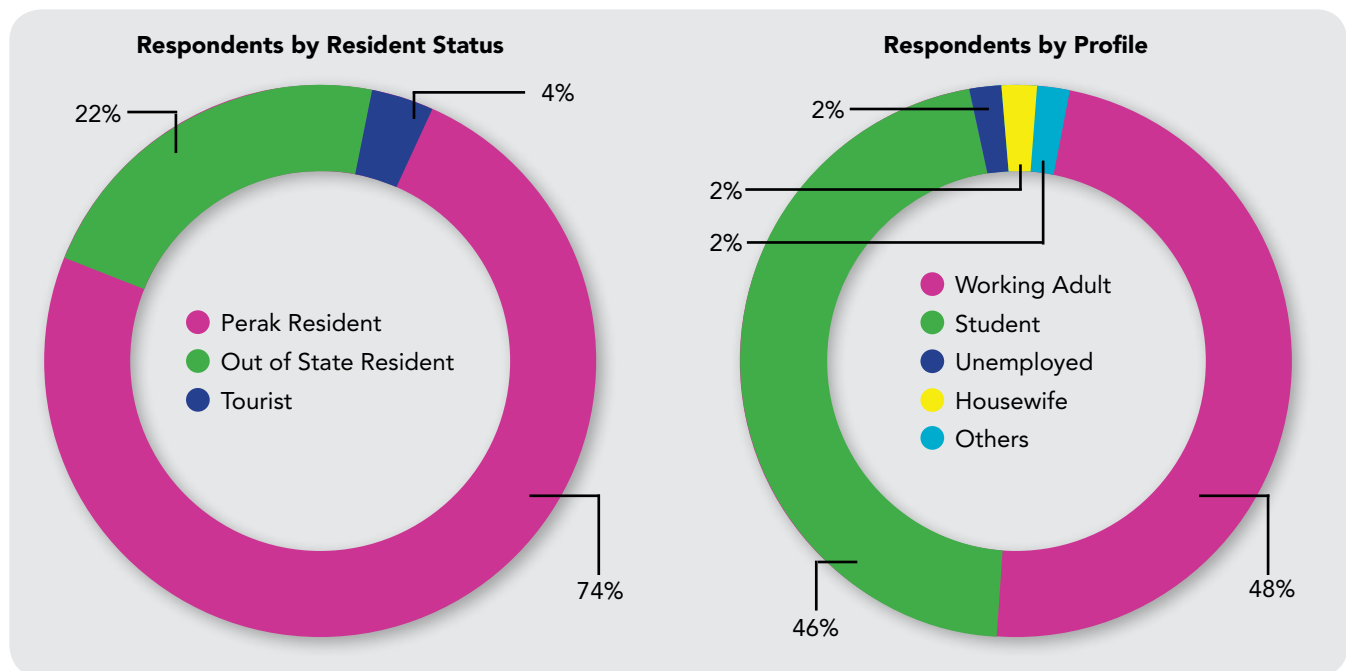


SUSTAINABILITY STATEMENT (Cont'd)

ENGAGING STAKEHOLDERS (Cont'd)

Engaging the Public

The Group initiated a customer survey during the FYE 2020 to gauge the response on the satisfaction of the customers. A total of 54 passengers were surveyed and from the survey, a total of 74% are from Perak residents, whereas the rest comprise out of state residents and tourists.



The survey also shows that working adults and students are the Group's primary customers. The Group will further improve its communication channels via social media to address any issues faced by the customers.



Serving the Community

The Group takes steps in improving the lives of the local community and actively support various initiatives in society.

The Group has also donated and sponsored around RM120,000 to various charitable organizations namely Tabung Kebajikan Dan Pendidikan Yayasan Taiwan Buddhist Tzu-Chi Malaysia as well as various Covid-19 relief funds.

SUSTAINABILITY STATEMENT (Cont'd)

REPORTING CONTENT INDEX TABLE

The Group has prepared this Statement following the core option of the GRI Standards and the ESG Guide.

GRI Standards and Disclosures				
	GRI Standards	GRI Disclosures	Reference	Page(s) of this Annual Report
GRI 101: Foundation				
GRI 102: General Disclosures				
Organisational Profile				
	102-1	Name of the organisation	Perak Transit Berhad	
	102-2	Activities, brands, products, and services	Management Discussion and Analysis	13 to 14
	102-3	Location of headquarters	Corporate Information	4
	102-4	Location of operations	Management Discussion and Analysis	13 to 14
	102-5	Ownership and legal form	Corporate Structure Analysis of Shareholdings	5 144 to 146
	102-6	Markets served	Management Discussion and Analysis	13 to 14
	102-7	Scale of the organisation	Corporate Structure Management Discussion and Analysis Care for the Employees	5 13 to 16 46 to 47
	102-8	Information on employees and other workers	Care for the Employees (Information on employees was derived from our internal database.)	46 to 47
	102-9	Supply chain	Stakeholder Engagement	30 to 34
	102-10	Significant changes to the organisation and its supply chain	Not Applicable	
	102-11	Precautionary principle or approach	Corporate Governance Overview Statement Stakeholder Engagement Corporate Governance Report	17 to 27 33
	102-12	External initiatives	Stakeholder Engagement Care for the Customers Care for the Environment Care for the Employees Engaging Stakeholders	30 to 34 39 to 40 40 to 44 45 to 47 47 to 49
	102-13	Membership of associations	Not Applicable	
Strategy				
	102-14	Statement from senior decision-maker	Not Applicable	

SUSTAINABILITY STATEMENT (Cont'd)



REPORTING CONTENT INDEX TABLE (Cont'd)

GRI Standards and Disclosures				
	GRI Standards	GRI Disclosures	Reference	Page(s) of this Annual Report
GRI 101: Foundation				
GRI 102: General Disclosures				
Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behaviour	Corporate Governance Overview Statement Stakeholder Engagement Safety First Care for the Customers Care for the Environment Care for the Employees Corporate Governance Report	17 to 27 30 to 34 35 to 39 39 to 40 40 to 44 45 to 47
Governance				
	102-18	Governance structure	Corporate Governance Overview Statement Stakeholder Engagement Corporate Governance Report	17 to 27 33
Stakeholder Engagement				
	102-40	List of stakeholder groups	Stakeholder Engagement	30 to 31
	102-41	Collective bargaining agreements	Not Applicable	
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	30 to 31
	102-43	Approach to stakeholder engagement	Stakeholder Engagement Engaging Stakeholders	30 to 31 47 to 49
	102-44	Key topics and concerns raised	Stakeholder Engagement	30 to 31
Reporting Practice				
	102-45	Entities included in the consolidated financial statements	Corporate Structure (No entities were not covered by the report.)	5
	102-46	Defining report content and topic boundaries	About this Statement Stakeholder Engagement	29 to 30 30 to 32
	102-47	List of material topics	Stakeholder Engagement	30 to 32
	102-48	Restatements of information	Not Applicable	
	102-49	Changes in reporting	Not Applicable	
	102-50	Reporting period	About this Statement (For the period 1 January 2020 to 31 December 2020)	29

SUSTAINABILITY STATEMENT (Cont'd)

REPORTING CONTENT INDEX TABLE (Cont'd)

GRI Standards and Disclosures				
	GRI Standards	GRI Disclosures	Reference	Page(s) of this Annual Report
GRI 101: Foundation				
GRI 102: General Disclosures				
Reporting Practice <small>(Cont'd)</small>				
	102-51	Date of most recent report	Annual Report 2019 was published in April 2020	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	enquiry@peraktransit.com.my	
	102-54	Claims of reporting in accordance with the GRI Standards	About this Statement	30
	102-55	GRI content index	Reporting Content Index Table	50 to 56
	102-56	External assurance	Not Applicable	
Material Topics				
GRI 201: Economic Performance				
	201	Management approach disclosures	The basis upon which the financials of Perak Transit were derived is contained in the audited financial statements as contained in this Annual Report.	85 to 143
	201-4	Financial assistance received from government	The amount of the financial assistance received from the government is contained in the audited financial statements as contained in this Annual Report.	85 to 143
GRI 204: Procurement Practices				
	204	Management approach disclosures	Stakeholder Engagement	34
	204-1	Proportion of spending on local suppliers	Stakeholder Engagement	34
GRI 205: Anti-Corruption				
	205	Management approach disclosures	Stakeholder Engagement	34
	205-3	Confirmed incidents of corruption and actions taken	Stakeholder Engagement	34

SUSTAINABILITY STATEMENT (Cont'd)



REPORTING CONTENT INDEX TABLE (Cont'd)

GRI Standards and Disclosures				
	GRI Standards	GRI Disclosures	Reference	Page(s) of this Annual Report
Material Topics (Cont'd)				
GRI 301: Materials				
	301	Management approach disclosures	Care for the Environment	40 to 44
	301-1	Materials used by weight or volume	Care for the Environment	40 to 44
GRI 302: Energy				
	302	Management approach disclosures	Care for the Environment	40 to 44
	302-1	Energy consumption within the organisation	Care for the Environment	40 to 42
	302-3	Energy intensity	Care for the Environment	40 to 42
GRI 303: Water and Effluents				
	303	Management approach disclosures	Care for the Environment	40 to 44
	303-1	Interactions with water as a shared resource	All water was sourced from the municipal water supplies. No issue on the water supply.	
	303-2	Management of water discharge-related impacts	Water was discharged to the drainage systems and according to the local discharge requirements.	
	303-4	Water discharge	Water was discharged to the drainage systems and according to the local discharge requirements.	
	303-5	Water consumption	Care for the Environment	43
GRI 305: Emissions				
	305	Management approach disclosures	Care for the Environment	40 to 44
	305-1	Direct (Scope 1) GHG emissions	Care for the Environment	40 to 43
	305-4	GHG emissions intensity	Care for the Environment	40 to 43

SUSTAINABILITY STATEMENT (Cont'd)

REPORTING CONTENT INDEX TABLE (Cont'd)

GRI Standards and Disclosures				
	GRI Standards	GRI Disclosures	Reference	Page(s) of this Annual Report
Material Topics (Cont'd)				
GRI 306: Effluents and Waste				
	306	Management approach disclosures	Care for the Environment	40 to 44
	306-1	Water discharge by quality and destination	Water was discharged to the drainage systems and according to the local discharge requirements.	
	306-2	Waste by type and disposal method	Care for the Environment	44
	306-5	Water bodies affected by water discharges and/or runoff	Water was discharged to the drainage systems and according to the local discharge requirements.	
GRI 307: Environmental Compliance				
	307	Management approach disclosures	Care for the Environment	40 to 44
	307-1	Non-compliance with environmental laws and regulations	Perak Transit was in full compliance with environmental laws and regulations.	
GRI 401: Employment				
	401	Management approach disclosures	Care for the Employees	45 to 47
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Same benefits provided to full-time employees and temporary or part-time employees.	
GRI 402: Labour/Management Relations				
	402	Management approach disclosures	Care for the Employees	45 to 47
	402-1	Minimum notice periods regarding operational changes	There are no unionised employees in Perak Transit.	

SUSTAINABILITY STATEMENT (Cont'd)



REPORTING CONTENT INDEX TABLE (Cont'd)

GRI Standards and Disclosures				
	GRI Standards	GRI Disclosures	Reference	Page(s) of this Annual Report
Material Topics (Cont'd)				
GRI 403: Occupational Health and Safety				
	403	Management approach disclosures	Safety First	35 to 39
	403-1	Occupational health and safety management system	Safety First	35 to 39
	403-2	Hazard identification, risk assessment, and incident investigation	Safety First	35 to 39
	403-3	Occupational health services	Safety First	35 to 39
	403-4	Worker participation, consultation, and communication on occupational health and safety	Safety First	35 to 39
	403-5	Worker training on occupational health and safety	Safety First	37 to 38
	403-6	Promotion of worker health	Safety First	35 to 39
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety First	35 to 39
	403-9	Work-related injuries	Safety First	37
	403-10	Work-related ill health	Safety First	37
GRI 404: Training and Education				
	404	Management approach disclosures	Safety First	37 to 38
	404-1	Average hours of training per year per employee	Safety First	37 to 38

SUSTAINABILITY STATEMENT (Cont'd)

REPORTING CONTENT INDEX TABLE (Cont'd)

GRI Standards and Disclosures				
	GRI Standards	GRI Disclosures	Reference	Page(s) of this Annual Report
Material Topics (Cont'd)				
GRI 405: Diversity and Equal Opportunity				
	405	Management approach disclosures	Care for the Employees	46 to 47
	405-1	Diversity of governance bodies and employees	Care for the Employees	46 to 47
GRI 406: Non-discrimination				
	406	Management approach disclosures	Care for the Employees	46
	406-1	Incidents of discrimination and corrective actions taken	Care for the Employees	46
GRI 408: Child Labour				
	408	Management approach disclosures	Care for the Employees	47
	408-1	Operations and suppliers at significant risks for incidents of child labour	Care for the Employees	47
GRI 413: Local Communities				
	413	Management approach disclosures	Engaging Stakeholders	47 to 49
	413-1	Operations with local community engagement, impact assessments, and development programs	Engaging Stakeholders	47 to 49
GRI 416: Customer Health and Safety				
	416	Management approach disclosures	Safety First	35 to 39
	416-1	Assessment of the health and safety impacts of product and service categories	Safety First	35 to 39
GRI 418: Customer Privacy				
	418	Management approach disclosures	Safety First	35 to 39
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints were received regarding breaches of customer privacy and losses of customer data.	

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 of the Company. The Audit Committee also plays a key role in the Company's corporate governance structure.

COMPOSITION AND MEETING ATTENDANCE

The Audit Committee comprises four (4) independent non-executive directors.

The Audit Committee has scheduled to convene at least four (4) meetings a year, with additional meetings to be convened at any time at the Chairman's discretion and if requested by any of its member or the internal or external auditors. The Committee may meet with the external auditors, the internal auditors or both without the attendance of executive directors and employees of the Company, whenever deemed necessary. The Committee may invite any person to be in attendance at each meeting.

The Audit Committee has convened four (4) meetings during the FYE 2020 on 25 February 2020, 20 May 2020, 19 August 2020 and 19 November 2020. The attendance of members in 2020 is as follows:

Name of Members	Scheduled meetings	Attendance at Audit Committee meetings
Ng Wai Luen (<i>Chairman</i>) <i>Independent Non-Executive Director</i>	4	4
Tan Sri Dato' Chang Ko Youn (<i>Member</i>) <i>Independent Non-Executive Director</i>	4	4
Dato' Wan Asmadi Bin Wan Ahmad (<i>Member</i>) <i>Independent Non-Executive Director</i>	4	4
Dato' Haji Mohd Gazali Bin Jalal (<i>Member</i>) <i>Independent Non-Executive Director</i> <i>(Appointed as member on 9 April 2021)</i>	-	-

The Audit Committee meetings held on 20 May 2020 and 19 November 2020 were conducted via video conferencing due to the Movement Control Order implemented by the Malaysian government to curb the Covid-19 pandemic outbreak in the country. The members of the Audit Committee who participated via video conferencing shall be deemed to be present in person at the meetings and shall be entitled to vote or be counted in a quorum accordingly.

The Nomination Committee has conducted annual review of the term of office and performance of the Audit Committee and its members and the Board is satisfied that the Audit Committee as a whole and its members has discharged their duties and responsibilities competently and efficiently in accordance with the terms of reference of the Audit Committee.

SUMMARY OF ACTIVITIES

The summary of the works and key activities undertaken by the Audit Committee during the FYE 2020 comprised the following:

1. Financial Reporting

a. Review of Quarterly Reports

The Audit Committee received briefings by the management on the unaudited financial quarterly results during its scheduled quarterly meetings and is updated on significant matters related to the Group's financial results and position and ascertained whether the reported financial results are consistent with operational and other information known.

The Audit Committee deliberated and reviewed the unaudited interim financial reports with the management during its scheduled quarterly meetings before recommending the reports to the Board for consideration and approval prior to the announcements made to Bursa Securities.

AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY OF ACTIVITIES (Cont'd)

1. Financial Reporting (Cont'd)

b. Audited Financial Statements

The Audit Committee received and considered the 'Audit Committee Closing Presentation' presented by the external auditors, Moore Stephens, in respect of the audited financial results of the Group and of the Company for the FYE 2019, outlining the major audit findings arising from the audit and the responses from the management.

The Audit Committee deliberated and reviewed on the audit findings relating to the valuation of property, plant and equipment and investment properties, valuation of goodwill, recognition of deferred tax assets and borrowings and reviewed the audited financial statements for the financial year then ended before recommending the audited financial statements to the Board for consideration and approval.

c. Approval of Statements for inclusion into the Annual Report

The Audit Committee received and reviewed the Statement on Risk Management and Internal Control and Audit Committee Report before recommending the statement and report to the Board for consideration and approval for inclusion into the Annual Report.

2. External Audit

a. Suitability, Objectivity and Independence of External Auditors

The Audit Committee deliberated and carried out its assessment on the suitability, objectivity and independence of Moore Stephens as the external auditors of the Company based on the following criteria:

- the performance, technical competency, audit quality, sufficiency of resources and allocation of audit staff assigned to the audit;
- the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
- the 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' International Code of Ethics for Professional Accountants (including International Independence Standards).

The Audit Committee was satisfied as to the suitability, objectivity, independence, technical competency and professionalism demonstrated by Moore Stephens which were in accordance with paragraph 15.21 of the Listing Requirements of Bursa Securities and recommended to the Board for the re-appointment of Moore Stephens as external auditors of the Company at the AGM.

At the AGM held on 24 September 2020, the shareholders have passed an ordinary resolution to re-appoint Moore Stephens as auditors of the Company to hold office until the conclusion of the next AGM.

b. 2020 Audit Planning Memorandum

The Audit Committee received and considered the Audit Planning Memorandum in respect of the audit of the financial statements of the Company for the FYE 2020, presented by the external auditors, Moore Stephens, outlining the audit scope of works, fraud consideration, areas of audit emphasis, audit approach and timeline. The Audit Committee deliberated and adopted the Audit Planning Memorandum before recommending to the Board for consideration and approval.

Moore Stephens declared that they have complied with the requirements for independence in accordance with the International Standard on Auditing 260 – Communication with Those Charged with Governance. Moore Stephens had also confirmed that they were independent and would be independent throughout their audit engagement.

AUDIT COMMITTEE REPORT (Cont'd)



SUMMARY OF ACTIVITIES (Cont'd)

2. External Audit (Cont'd)

c. Independent Meeting Sessions

The Audit Committee has two (2) independent meeting sessions during the FYE 2020 with the external auditors, Moore Stephens without the presence of the executive personnel of the Company.

Moore Stephens reported that during the course of the audit of the financial statements for the FYE 2019, good cooperation had been provided by the management and staff of the Company and there were no major issues or concern as well as no sign of fraud identified that required them to report to the Audit Committee.

Moore Stephens also reported that they did not identify any non-compliances by the management and there were no immediate issues identified in respect of the audit of the financial statements for the FYE 2020 that required them to report to the Audit Committee.

d. Audit and Non-Audit Fees

The Audit Committee deliberated and reviewed the audit fees in respect of the FYE 2020 together with non-audit fees which comprises the review of Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Securities. The total fees for the Group for the FYE 2020 are RM145,000 which is a 5.84% increase from that of the previous year's audit, due mainly to the extra time needed to be spent on the review of property, plant and equipment and Kampar Putra Sentral.

The amount of audit fees and non-audit fees payable to Moore Stephens in respect of the FYE 2020 are as follows:

	Audit fees (RM)	Non-Audit fees (RM)
Company	52,000	5,000
Group	140,000	5,000

3. Internal Audit

In its oversight of the internal audit process, the Audit Committee met with the internal auditors, representatives of JWC Consulting Sdn Bhd ("JWC"), three (3) times during the FYE 2020 on 25 February 2020, 19 August 2020 and 19 November 2020.

The Audit Committee received briefings on the following internal audit reports presented by the internal auditors during the Audit Committee meetings, namely:

- Financial quarters ended 31 March 2020 and 30 June 2020
 - Review on the systems of internal control on sales and marketing, credit control and inventory management of petrol station operations operated by CKS Bumi Sdn Bhd, CKS Labur Sdn Bhd, Star Kensington Sdn Bhd and The Combined Bus Services Sdn Bhd and Anti-Corruption and Anti-Bribery Policy of Perak Transit Berhad.

The internal audit report for the first financial quarter ended 31 March 2020 was tabled together with the internal audit report for the second financial quarter ended 30 June 2020 at the meeting held on 19 August 2020 as the internal audit work was temporarily halted due to the implementation of Movement Control Order by the Malaysian government commencing 18 March 2020 to 12 May 2020 to curb the Covid-19 pandemic outbreak in the country.

AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY OF ACTIVITIES (Cont'd)

3. Internal Audit (Cont'd)

- Financial quarter ended 30 September 2020
 - Follow up reviews on:
 - i) Financial quarter ended 31 March 2019 – Sales and marketing and credit control of bus operations operated by The Combined Bus Services Sdn Bhd, Ipoh Link Sdn Bhd and Syarikat Sumber Manusia Sdn Bhd and readiness of Kampar Putra Sentral;
 - ii) Financial quarter ended 30 June 2019 – Sales and marketing and credit control of integrated public transportation terminal operations operated by The Combined Bus Services Sdn Bhd and Terminal Urus Sdn Bhd; and
 - iii) Financial quarter ended 31 March 2020 and 30 June 2020 – Sales and marketing, credit control and inventory management of petrol station operations operated by CKS Bumi Sdn Bhd, CKS Labur Sdn Bhd, Star Kensington Sdn Bhd and The Combined Bus Services Sdn Bhd and Anti-Corruption and Anti-Bribery Policy of Perak Transit Berhad.

The Audit Committee deliberated and reviewed the internal audit reports presented and considered the internal auditors' recommendations and took into account the management's responses on the audit findings before recommending the reports to the Board for consideration and approval.

The Audit Committee received the Internal Audit Plan for three (3) financial years ending 31 December 2020 to 31 December 2022 ("**Internal Audit Plan**"), presented by the internal auditors outlining the audit scope of works and timeline. The Audit Committee deliberated the Internal Audit Plan extensively and accepted the recommendation of the internal auditors to have a three (3) year cycle internal audit to cover all areas of operation of the Group instead of two (2) years. Accordingly, JWC was re-appointed as internal auditors of the Company for the financial years ending 31 December 2020 to 31 December 2022.

The Audit Committee deliberated the publication entitled "Effectiveness of Internal Audit Function: Thematic Review Findings and Key Takeaways" co-published by Bursa Securities and The Institute of Internal Auditors Malaysia. The Audit Committee noted the findings of the study and its key takeaways and would adopt a regular review of the Company's scope of internal audit function.

4. Risk Management Working Group Committee

The Audit Committee deliberated and reviewed two (2) minutes of the meetings of the Risk Management Working Group Committee held in the FYE 2020.

The Audit Committee received briefings on the risk factors highlighted by the Risk Management Working Group Committee in relation to the operations of the Group comprising terminal operations, bus operations, Kampar Putra Sentral, petrol station operations, human resources and finance. In addition, two new risks, namely non-compliance to Malaysian Anti-Corruption Commission (Amendment) Act 2018 on Anti-Corruption and Anti-Bribery and pandemic risk were identified. Evaluation has been carried out to assess the impact of the risks. Most of the risk factors highlighted were rated minor or moderate and mitigation strategies in relation to the crisis management have been put in place by the management.

The Audit Committee deliberated and recommended the Anti-Corruption and Anti-Bribery Policy to the Board for approval and agreed to implement the policy across the Group with effect from 1 June 2020.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Board, through the Audit Committee, has outsourced the internal audit function and thereafter approved the appointment of an independent professional services firm, JWC, to carry out independent internal audit services for the Company and the Group. JWC, a member of The Institute of Internal Auditors Malaysia, is headed by the founding Director, Ms Joyce Wong who is a member of the Malaysian Institute of Accountants, CPA Australia and The Institute of Internal Auditors Malaysia. She has more than 15 years professional experience and has vast exposure in the internal audit field. She is supported by a number of capable staff to carry out the internal audit assignments.

AUDIT COMMITTEE REPORT (Cont'd)



INTERNAL AUDIT FUNCTION (Cont'd)

The internal auditors report directly to the Audit Committee on audit matters and to the Managing Director on administrative matters. The internal auditors provide independent and objective reports on the Group's management, operational, accounting policies and internal controls to the Audit Committee and also ensure that recommendations to improve internal controls are followed through by the management at the same time. The management will rectify the weaknesses detected by the internal auditors through either adopting the recommendations made by the internal auditors or developing its own alternatives to eliminate such weaknesses.

During the FYE 2020, the internal auditors have conducted a series of audits of the major operating units of the Group. The internal audit activities have been carried out by the internal auditors in accordance with the Internal Audit Plan for the three (3) financial years ending 31 December 2020 to 31 December 2022. The internal auditors also ensured, on a follow up basis, that recommendations to improve internal controls are implemented by the management. These initiatives, together with the management's adoption of the external auditors' recommendations for improvement on internal controls noted during their annual audit, provide reasonable assurance that control procedures are in place.

The cost incurred on the internal audit function for the FYE 2020 amounted to RM38,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to paragraph 15.26(b) of the Bursa Securities' Listing Requirements and in accordance with the Principles as stipulated in the MCCG and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers which requires the Board to include in the Company's Annual Report a statement about the state of its risk management and internal control of the Group.

Accordingly, the Board is pleased to present the Statement on Risk Management and Internal Control 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 shareholders' investment and the Group's assets.

The Board has adopted Enterprise-Wide Risk Management Report, Risk Management Policy and Risk Appetite to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks of the Group.

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 on-going 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 employees of the Company 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:

- Internal Audit and Risk Management Function

The Board acknowledges the importance of the internal audit and risk management functions and has engaged the services of an independent professional firm to provide much of the assurance it requires regarding the effectiveness as well as 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 internal 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 quarterly 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

Periodic meetings of the Board, Board Committees and senior management represent the main platform through which the Group's performance and conduct are assessed and 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 processes.

The Board also ensures that all recurrent related party transactions are dealt in accordance with the Listing 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 undergo 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 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 controls 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 system of internal controls which has been delegated to the management for effective implementation. The role of internal audit is to provide reasonable assurance that the designed controls 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 processes, 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 controls 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 the 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 2020 and reported to the Board that nothing has come to their attention which 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 FYE 2020, there is a reasonable assurance that the Group's system of internal controls is generally adequate and appears to be working satisfactorily. None of the identified weaknesses 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 Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

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

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RELATION TO THE FINANCIAL STATEMENTS



This Statement is prepared as required by the Listing Requirements of Bursa Securities.

The directors are required under the Companies Act 2016 to prepare the 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;
- made reasonable and prudent judgments and estimates;
- prepared the financial statements on a going concern basis; and
- ensured 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 2016 and the applicable approved accounting standards in Malaysia.

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 detect fraud and other irregularities.

This Statement was made in accordance with a resolution of the Board dated 23 February 2021.

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The details and principal activities of the Company's subsidiaries are disclosed in Note 14 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Net profit for the financial year	<u>42,046,395</u>	<u>17,028,750</u>
Attributable to:		
Owners of the Company	41,817,077	17,028,750
Non-controlling interests	<u>229,318</u>	<u>-</u>
	<u>42,046,395</u>	<u>17,028,750</u>

DIVIDENDS

Since the end of the previous financial year, the Company has declared the following dividends in respect of financial year ended 31 December 2020:

- (i) A first interim single tier dividend of RM0.0025 per ordinary share amounting to RM3,549,450, paid on 20 May 2020;
- (ii) A special single tier dividend of RM0.0025 per ordinary share amounting to RM4,352,357, paid on 15 September 2020;
- (iii) A second interim single tier dividend of RM0.0025 per ordinary share amounting to RM4,768,501, paid on 09 November 2020; and
- (iv) A third interim single tier dividend of RM0.0025 per ordinary share amounting to RM4,760,501, paid on 12 January 2021.

The Directors do not recommend the payment of 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.

DIRECTORS' REPORT (Cont'd)



ISSUANCE OF SHARES AND DEBENTURES

During the financial year, the paid-up share capital of the Company was increased from 1,422,780,350 shares to 1,935,400,717 shares by way of issuance of 512,620,367 new ordinary shares arising from the exercise of 512,620,367 Warrants 19/09/2020 at an exercise price of RM0.235 per warrant for cash.

The proceeds were used for repayment of bank borrowings and working capital purposes. The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any other shares and debentures during the financial year.

TREASURY SHARES

During the financial year, the Company has repurchased 30,200,000 of its issued ordinary shares from the open market at an average price of RM0.2554 (including transaction costs) per ordinary share. The total consideration paid for the shares repurchased was RM7,713,806 and are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 in Malaysia.

As at 31 December 2020, the Company held a total of 31,200,000 ordinary shares of its 1,935,400,717 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM7,943,806. Further details are disclosed in Note 24 to the financial statements.

WARRANTS

The Company's outstanding unexercised warrants have expired on 18 September 2020.

The salient terms of the warrants are disclosed in Note 23 to the financial statements.

Details of warrants issued to Directors are disclosed in the Directors' Interests section of this report.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial year up to the date of this report are as follows:

TAN SRI DATO' CHANG KO YOUN
DATO' SRI CHEONG KONG FITT*
DATO' CHEONG PEAK SOOI*
DATO' WAN ASMADI BIN WAN AHMAD
NG WAI LUEN
AZIAN BINTI KASSIM
DATO' HAJI GAZALI BIN JALAL (appointed on 20.01.2021)

* Also a Director of certain subsidiaries.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the financial year up to the date of this report are as follows:

ONG LUCK YIK @ ONG LEK CHUAN
 POON HEE LAI
 MUHAMMAD BIN DZULKIFLI (appointed on 17.08.2020)
 DATO' AMINUDDIN BIN MD HANAFIAH (appointed on 01.03.2021)
 ROZILAWATI BINTI MOHAMAD (resigned on 10.07.2020)
 DATIN SRI LIM SOW KENG (resigned on 15.10.2020)
 DATO' ABU BAKAR BIN HAJI SAID (resigned on 28.02.2021)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares and warrants of the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares				At 31.12.2020
	At 1.1.2020	Bought	Exercise of Warrants	Sold	
Direct Interests:					
- Dato' Sri Cheong Kong Fitt	247,080,605	2,750,000	36,395,600	(27,012,700)	259,213,505
- Dato' Cheong Peak Sooi	20,406,595	-	-	-	20,406,595
Indirect Interests:					
- Dato' Sri Cheong Kong Fitt ^	292,223,801	27,012,700	-	-	319,236,501

	Number of Warrants				At 31.12.2020
	At 1.1.2020	Bought	Exercised	Sold	
Direct Interests:					
- Dato' Sri Cheong Kong Fitt	89,533,775	10,000,000	(36,395,600)	(63,138,175)	-
- Dato' Cheong Peak Sooi	9,275,725	-	-	(9,275,725)	-
Indirect Interests:					
- Dato' Sri Cheong Kong Fitt ^	132,829,001	-	-	(132,829,001)	-

^ Indirect interest by virtue of shares held through his spouse and through a corporation by virtue of Section 8 of the Companies Act 2016 in Malaysia.

Dato' Sri Cheong Kong Fitt is deemed to have interest in the shares held by the Company in its subsidiaries by virtue of his substantial interest in the shares of the Company.

Other than the above, none of the other Directors in office at the end of the financial year had any interest in the ordinary shares and warrants of the Company or of its related corporations during the financial year.

DIRECTORS' REPORT (Cont'd)



DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company or its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Salaries, allowances and bonuses	186,000	1,015,750
Fees	228,000	-
Contribution to defined contribution plan	17,140	152,752
Benefits-in-kind	5,304	40,100
Total fees and other benefits	436,444	1,208,602

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the related party transactions disclosed in the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent;
 - which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
 - which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
 - not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.
- (c) At the date of this report, there does not exist:
- any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (Cont'd)

OTHER STATUTORY INFORMATION (Cont'd)

- (d) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the 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, other than those disclosed in the financial statements; and
 - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.
- (e) The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Company and its subsidiaries for the current financial year were RM52,000 and RM88,000 respectively.
- (f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.
- (g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Group and of the Company.

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in Note 37 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors 6 April 2021

DATO' SRI CHEONG KONG FITT

Ipoh, Perak

DATO' CHEONG PEAK SOOI

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016



We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements as set out on pages 76 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 6 April 2021

DATO' SRI CHEONG KONG FITT

Ipoh, Perak

DATO' CHEONG PEAK SOOI

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, JENNIFER CHIN YI TENG, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 76 to 143 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Jennifer Chin Yi Teng
at Ipoh in the state of Perak Darul Ridzuan
on 6 April 2021

JENNIFER CHIN YI TENG

Before me,

Commissioner for oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PERAK TRANSIT BERHAD
Registration No. 200801030547 (831878-V)
(Incorporated in Malaysia)

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 as at 31 December 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 76 to 143.

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 at 31 December 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current financial 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.

Key Audit Matters

Our audit performed and responses thereon

Classification between investment properties ("IP") and owner-occupied properties

(Note 11 & 12 to the financial statements)

On 7 August 2020, the Group has been granted the full Certificate of Completion and Compliance ("CCC") for the construction of the Kampar Putra Sentral ("KPS"), with a total construction costs of RM280,424,639. Unlike other conventional bus terminals, KPS also comprises commercial, leisure and hospitality facilities.

We consider this to be an area of audit focus as the basis of classification between IP and property, plant and equipment involved management estimates and judgement to identify and differentiate between owner-occupied properties i.e. bus terminal, car park and other common areas, and those portions that are held to earn rental income.

We have performed the following audit procedures to assess the basis of classification by the management:

- Obtained a copy of the floor plan for the entire KPS;
- Discussed with management to understand its intention on the KPS as a whole to determine which portion of the complex is meant for the provision of bus terminal services and which portion is meant for leasing out to earn rental income;
- Checked the accuracy of data used by the management for the purpose of the classification; and
- Assessed the adequacy and appropriateness of the disclosures as required by MFRS 140 Investment Properties.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PERAK TRANSIT BERHAD (Cont'd)
Registration No. 200801030547 (831878-V)
(Incorporated in Malaysia)



Key Audit Matters

Key Audit Matters	Our audit performed and responses thereon
Borrowings <p>As at 31 December 2020, as disclosed in Note 26 to the financial statements, the Group's borrowings amounted to RM226 million, representing 87% of the Group's total liabilities, out of which RM222 million comprises the unrated Sukuk Murabahah.</p> <p>We have identified borrowings as a key audit matter as the Group has significant reliance on external borrowings for its working capital and long-term funding requirements. The compliance with loan covenants and the prompt servicing of borrowings as and when they fall due is a key focus of our audit matters.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none">• Requested bank confirmations;• Reviewed the contractual terms of the unrated Sukuk Murabahah and examined compliance with salient loan covenants;• Reviewed the ability to service loan repayments for the next twelve months;• Assessed the reasonableness of finance cost;• Reviewed the adequacy of disclosures in accordance with MFRS 7 Financial Instruments and MFRS 132 Financial Instruments: Presentation; and• Reviewed the appropriateness and accuracy of interest charged to respective subsidiaries by the Company to ensure the allocation is in accordance with the utilisation of loan by respective companies.

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.

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 2016 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 ability of the Group and of the Company 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 and the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PERAK TRANSIT BERHAD (Cont'd)
Registration No. 200801030547 (831878-V)
(Incorporated in Malaysia)

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 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 and 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 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. 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 financial 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PERAK TRANSIT BERHAD (Cont'd)
Registration No. 200801030547 (831878-V)
(Incorporated in Malaysia)



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.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

THAM SHIEN HONG
03266/04/2021J
Chartered Accountant

Penang

Date: 6 April 2021

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Revenue	4	119,393,773	124,487,312	19,076,120	18,707,143
Investment revenue	5	318,131	534,036	267,013	159,543
Amortisation of deferred capital grant	27	199,600	199,600	-	-
Other operating income	6	6,052,075	6,623,426	102,754	73,042
Purchase of trading goods		(21,301,801)	(33,174,768)	-	-
Changes in inventories of trading goods		(132,052)	71,058	-	-
Employee benefits expense	6	(10,785,763)	(11,981,869)	(36,068)	(96,735)
Directors' remuneration	7	(1,599,642)	(1,475,717)	(431,140)	(421,610)
Depreciation of property, plant and equipment and investment properties	11&12	(15,998,266)	(12,283,342)	-	-
Finance costs	8	(12,983,833)	(10,622,501)	(708,990)	(1,159,583)
Other operating expenses	6	(14,144,972)	(21,454,186)	(1,288,339)	(2,767,248)
Profit before tax		49,017,250	40,923,049	16,981,350	14,494,552
Tax (expenses)/credit	9	(6,970,855)	(913,542)	47,400	(47,473)
Profit for the financial year		42,046,395	40,009,507	17,028,750	14,447,079
Other comprehensive income, net of tax					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Revaluation surplus of leasehold land, buildings and intergrated public transportation terminal, net of tax		-	23,356,273	-	-
Total comprehensive income for the financial year		42,046,395	63,365,780	17,028,750	14,447,079
Profit net of tax, attributable to:					
Owners of the Company		41,817,077	39,758,574	17,028,750	14,447,079
Non-controlling interests		229,318	250,933	-	-
		42,046,395	40,009,507	17,028,750	14,447,079
Total comprehensive income attributable to:					
Owners of the Company		41,817,077	62,784,951	17,028,750	14,447,079
Non-controlling interests		229,318	580,829	-	-
		42,046,395	63,365,780	17,028,750	14,447,079
Earnings per ordinary share					
Basic (sen)	10	2.64	2.79		
Diluted (sen)	10	2.64	2.74		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020



	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	567,717,985	537,397,648	1	1
Investment properties	12	84,692,161	6,338,882	-	-
Contract cost	13	534,904	-	-	-
Investment in subsidiaries	14	-	-	151,937,447	135,772,347
Amount due from subsidiaries	15	-	-	180,560,514	228,538,251
Goodwill	16	1,622,631	1,622,631	-	-
Deferred tax assets	17	1,515,536	7,033,289	-	-
		656,083,217	552,392,450	332,497,962	364,310,599
Current Assets					
Inventories	18	871,130	1,010,869	-	-
Trade and other receivables	19	45,579,379	28,436,134	-	-
Contract assets	20	304,500	1,009,000	-	-
Other assets	21	3,041,617	2,072,201	4,518,730	80,387
Amount due from subsidiaries	15	-	-	157,913,502	47,081,712
Tax recoverable		1,100,068	97	45,446	-
Fixed deposits with licensed banks	22	10,279,186	21,348,079	9,027,032	11,037,245
Cash and bank balances		11,836,899	54,429,532	2,900,927	44,999,399
		73,012,779	108,305,912	174,405,637	103,198,743
TOTAL ASSETS		729,095,996	660,698,362	506,903,599	467,509,342
EQUITY AND LIABILITIES					
Equity					
Share capital	23	287,556,892	167,092,924	287,556,892	167,092,924
Treasury shares	24	(7,943,806)	(230,000)	(7,943,806)	(230,000)
Property revaluation reserve	25	33,964,529	33,964,529	-	-
Retained earnings		155,789,096	129,915,013	34,417	436,476
Equity attributable to owners of the Company		469,366,711	330,742,466	279,647,503	167,299,400
Non-controlling interests		130,364	1,561,741	-	-
Total Equity		469,497,075	332,304,207	279,647,503	167,299,400

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Non-Current Liabilities					
Borrowings	26	194,826,295	282,923,210	192,000,000	282,000,000
Deferred capital grant	27	8,183,600	8,383,200	-	-
Deferred tax liabilities	17	2,572,277	2,661,864	-	-
		205,582,172	293,968,274	192,000,000	282,000,000
Current Liabilities					
Trade and other payables	28	9,068,014	8,075,065	358,495	55,261
Other liabilities	29	13,562,222	6,557,362	4,897,601	132,465
Borrowings	26	31,049,210	18,488,688	30,000,000	18,000,000
Deferred capital grant	27	199,600	199,600	-	-
Tax payable		137,703	1,105,166	-	22,216
		54,016,749	34,425,881	35,256,096	18,209,942
Total Liabilities		259,598,921	328,394,155	227,256,096	300,209,942
TOTAL EQUITY AND LIABILITIES		729,095,996	660,698,362	506,903,599	467,509,342

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020



Group	Attributable to Owners of the Company						Total Equity RM
	Share Capital RM	Treasury Shares RM	Property Revaluation Reserve RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	
At 1 January 2019	167,092,924	-	10,938,152	104,284,117	282,315,193	1,099,894	283,415,087
Profit net of tax	-	-	-	39,758,574	39,758,574	250,933	40,009,507
Revaluation surplus of leasehold land, buildings and integrated public transportation terminal, net of tax	-	-	23,026,377	-	23,026,377	329,896	23,356,273
Total comprehensive income for the financial year	-	-	23,026,377	39,758,574	62,784,951	580,829	63,365,780
Dividends to non-controlling interests	-	-	-	-	-	(18,858)	(18,858)
Effect of increase in stake in a subsidiary	-	-	-	100,124	100,124	(100,124)	-
Transactions with owners of the Company:							
Own shares acquired	-	(230,000)	-	-	(230,000)	-	(230,000)
Dividends to owners of the Company	-	-	-	(14,227,802)	(14,227,802)	-	(14,227,802)
Total transactions with owners of the Company	-	(230,000)	-	(14,227,802)	(14,457,802)	-	(14,457,802)
At 31 December 2019 / 1 January 2020	167,092,924	(230,000)	33,964,529	129,915,013	330,742,466	1,561,741	332,304,207
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	41,817,077	41,817,077	229,318	42,046,395
Dividends to non-controlling interests	-	-	-	-	-	(7,880)	(7,880)
Effect of increase in stake in subsidiaries	-	-	-	1,487,815	1,487,815	(1,652,815)	(165,000)
Transactions with owners of the Company:							
Own shares acquired	-	(7,713,806)	-	-	(7,713,806)	-	(7,713,806)
Issuance of shares pursuant to exercise of Warrants	120,465,786	-	-	-	120,465,786	-	120,465,786
Transaction costs of share issue	(1,818)	-	-	-	(1,818)	-	(1,818)
Dividends to owners of the Company	-	-	-	(17,430,809)	(17,430,809)	-	(17,430,809)
Total transactions with owners of the Company	120,463,968	(7,713,806)	-	(17,430,809)	95,319,353	-	95,319,353
At 31 December 2020	287,556,892	(7,943,806)	33,964,529	155,789,096	469,366,711	130,364	469,497,075

STATEMENTS OF
CHANGES IN EQUITY (Cont'd)
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share Capital RM	Non- distributable Treasury Shares RM	Distributable Retained Earnings RM	Total Equity RM
Company					
At 1 January 2019		167,092,924	-	217,199	167,310,123
Profit net of tax, representing total comprehensive income for the financial year		-	-	14,447,079	14,447,079
Transactions with owners of the Company:					
Own shares acquired	24	-	(230,000)	-	(230,000)
Dividends to owners of the Company	30	-	-	(14,227,802)	(14,227,802)
Total transactions with owners of the Company		-	(230,000)	(14,227,802)	(14,457,802)
At 31 December 2019 / 1 January 2020		167,092,924	(230,000)	436,476	167,299,400
Profit net of tax, representing total comprehensive income for the financial year		-	-	17,028,750	17,028,750
Transactions with owners of the Company:					
Own shares acquired	24	-	(7,713,806)	-	(7,713,806)
Issuance of shares pursuant to exercise of Warrants	23	120,465,786	-	-	120,465,786
Transaction costs of share issue		(1,818)	-	-	(1,818)
Dividends to owners of the Company	30	-	-	(17,430,809)	(17,430,809)
Total transactions with owners of the Company		120,463,968	(7,713,806)	(17,430,809)	95,319,353
At 31 December 2020		287,556,892	(7,943,806)	34,417	279,647,503

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020



	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Cash Flows from Operating Activities					
Profit for the financial year		42,046,395	40,009,507	17,028,750	14,447,079
Adjustments for:					
Amortisation of deferred capital grant		(199,600)	(199,600)	-	-
Amortisation of contract cost		65,096	-	-	-
Depreciation of property, plant and equipment and investment properties		15,998,266	12,283,342	-	-
Deposits forfeited		(86,176)	-	-	-
Finance costs		12,983,833	10,622,501	708,990	1,159,583
Interest income		(501,524)	(633,223)	(363,767)	(232,585)
Loss on disposal of property, plant and equipment		-	104,946	-	-
Property, plant and equipment written off		300	1,634	-	-
Tax expenses/(credit)		6,970,855	913,542	(47,400)	47,473
Operating profit before working capital changes		77,277,445	63,102,649	17,326,573	15,421,550
Changes in working capital:					
Inventories		139,739	(5,607)	-	-
Trade and other receivables		(17,143,245)	6,746,850	-	5,157
Contract assets		704,500	4,700,000	-	-
Other assets		(1,225,600)	(520,403)	(4,438,343)	(59,954)
Trade and other payables		(507,051)	(9,647,315)	303,234	(186,231)
Other liabilities		1,728,565	926,133	4,635	51,266
Cash generated from operating activities		60,974,353	65,302,307	13,196,099	15,231,788
Interest received on current account		183,393	99,187	96,754	73,042
Income tax paid		(3,638,107)	(3,072,788)	(45,446)	(25,184)
Income tax refunded		27,984	308,270	25,184	58,808
Net cash from operating activities		57,547,623	62,636,976	13,272,591	15,338,454
Cash Flows from Investing Activities					
Acquisition of shares from non-controlling interests		(165,000)	-	-	-
Advances to subsidiaries		-	-	(78,854,053)	(232,893,831)
Interest received on fixed deposits		315,753	528,756	264,635	154,263
Interest received on other investment		2,378	5,280	2,378	5,280
Investment in subsidiaries		-	-	(165,100)	-
Proceeds from disposal of property, plant and equipment		-	2,750,000	-	-
Purchase of property, plant and equipment	(ii)	(119,241,161)	(79,864,624)	-	-
Net cash used in investing activities		(119,088,030)	(76,580,588)	(78,752,140)	(232,734,288)
Balance carried forward		(61,540,407)	(13,943,612)	(65,479,549)	(217,395,834)

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Balance brought forward		(61,540,407)	(13,943,612)	(65,479,549)	(217,395,834)
Cash Flows from Financing Activities					
Dividends paid					
- owners of the Company		(12,670,308)	(14,227,802)	(12,670,308)	(14,227,802)
- non-controlling interests		(5,910)	(18,858)	-	-
Drawdown of Al Bai' Bithaman Ajil facilities and Term Financing-i		-	1,581,417	-	-
Finance costs paid		(12,983,833)	(13,787,220)	(708,990)	(1,159,583)
Net placement/(withdrawal) of fixed deposits pledged to licensed banks		79,746	4,383,493	(238,603)	(4,405,258)
Proceeds from issuance of shares pursuant to exercise of Warrants		120,463,968	-	120,463,968	-
Proceeds from Sukuk Murabahah		-	300,000,000	-	300,000,000
Repurchase of treasury shares		(7,713,806)	(230,000)	(7,713,806)	(230,000)
Repayment of term loans, Al Bai' Bithaman Ajil facilities, Muamalat Term Financing, Commodity Murabahah Term Financing and Term Financing-i		-	(171,199,788)	-	(3,765,791)
Repayment to Cash Line-i		-	(36,066,085)	-	(13,255,394)
Repayment of Sukuk Murabahah Programme		(78,000,000)	-	(78,000,000)	-
Repayment of lease liabilities		(1,211,230)	(432,291)	-	-
Net cash from financing activities		7,958,627	70,002,866	21,132,261	262,956,172
Net (decrease)/increase in cash and cash equivalents		(53,581,780)	56,059,254	(44,347,288)	45,560,338
Cash and cash equivalents at beginning of the financial year		65,938,659	9,879,405	47,277,293	1,716,955
Cash and cash equivalents at end of the financial year	(i)	12,356,879	65,938,659	2,930,005	47,277,293

STATEMENTS OF

CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020



Note:

(i) Cash and cash equivalents comprise the following:

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Cash and bank balances		11,836,899	54,429,532	2,900,927	44,999,399
Fixed deposits placed with licensed banks	22	10,279,186	21,348,079	9,027,032	11,037,245
		22,116,085	75,777,611	11,927,959	56,036,644
Less: Fixed deposits pledged to licensed banks	22	(9,759,206)	(9,838,952)	(8,997,954)	(8,759,351)
		12,356,879	65,938,659	2,930,005	47,277,293

(ii) Purchase of property, plant and equipment comprise the following:

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Cash purchases		119,241,161	79,864,624	-	-
Capitalised borrowing costs		-	3,164,719	-	-
Deposits paid		256,184	8,573,870	-	-
Lease liabilities		3,674,837	247,000	-	-
Other payables		1,500,000	5,455,138	-	-
	11	124,672,182	97,305,351	-	-

(iii) Total operating and financing cash outflows arising from leases as a lessee during the financial year was RM1,695,159 (2019: RM883,368).

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

(iv) The reconciliation of movements of liabilities to cash flows arising from financing activities is as below:

	At 1.1.2020 RM	Drawdown of loans RM	Net cash changes RM	At 31.12.2020 RM
Group				
Lease liabilities	1,411,898	3,674,837	(1,211,230)	3,875,505
Sukuk Murabahah	300,000,000	-	(78,000,000)	222,000,000
	301,411,898	3,674,837	(79,211,230)	225,875,505
Company				
Sukuk Murabahah	300,000,000	-	(78,000,000)	222,000,000

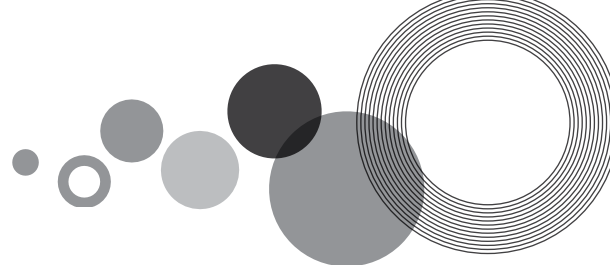
	At 1.1.2019 RM	Drawdown of loans RM	Net cash changes RM	At 31.12.2019 RM
Group				
Term loans*	169,618,371	1,581,417	(171,199,788)	-
Lease liabilities	1,597,189	247,000	(432,291)	1,411,898
Cash Line-i	36,066,085	-	(36,066,085)	-
Sukuk Murabahah	-	300,000,000	-	300,000,000
	207,281,645	301,828,417	(207,698,164)	301,411,898
Company				
Term loans*	3,765,791	-	(3,765,791)	-
Cash Line-i	13,255,394	-	(13,255,394)	-
Sukuk Murabahah	-	300,000,000	-	300,000,000
	17,021,185	300,000,000	(17,021,185)	300,000,000

* Term loans include Al Bai' Bithaman Ajil facilities, Muamalat Term Financing, Commodity Murabahah Term Financing and Term Financing-i.

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020



1. CORPORATE INFORMATION

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

The registered office of the Company is located at 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 E-6-2A, SOHO Ipoh 2, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan.

The Company is principally involved in investment holding. The details and principal activities of the Company's subsidiaries are disclosed in Note 14 to the financial statements. There have been no significant changes in the nature of these activities of the Group and the Company during the financial year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 6 April 2021.

2. BASIS OF PREPARATION

(a) Statement of Compliance

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 and the requirements of the Companies Act 2016 in Malaysia.

New and Revised MFRSs and Amendments/Improvements to MFRSs

(i) Adoption of Amendments to MFRSs

The Group and the Company have adopted the following Amendments to MFRSs that are mandatory for the current financial year:

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3 Definition of a Business

Amendments to MFRS 9, Interest Rate Benchmark Reform
MFRS 139 and MFRS 7

Amendments to MFRS 101 Definition of Material
and MFRS 108

Initial application of the above standards did not have any significant effect on the financial statements of the Group and of the Company.

(ii) Standards issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and Amendments/Improvements to MFRSs that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and for the Company:

Effective for financial periods beginning on or after 1 June 2020

Amendment to MFRS 16 Covid-19 Related Rent Concessions

Effective for financial periods beginning on or after 1 January 2021

Amendment to MFRS 9, Interest Rate Benchmark Reform – Phase 2
MFRS139, MFRS 7, MFRS
4 and MFRS 16

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

2. BASIS OF PREPARATION (Cont'd)

(a) Statement of Compliance (Cont'd)

New and Revised MFRSs and Amendments/Improvements to MFRSs (Cont'd)

(ii) Standards issued but not yet effective and have not been early adopted (Cont'd)

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020	

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group and the Company will adopt the above standards when they become effective in the respective financial periods. These standards are not expected to have any effect to the financial statements of the Group and of the Company upon initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



2. BASIS OF PREPARATION (Cont'd)

(d) Significant accounting estimates and judgements (Cont'd)

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or 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 set out below.

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line method over the assets' useful lives. The Directors estimate the useful lives of these property, plant and equipment to be between 9.84 and 99 years.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting period. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the end of the reporting period, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in profit or loss in the period in which actual realisation and settlement occurs.

(iv) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately.

If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same as at the end of the reporting period as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

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

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

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

Subsidiaries are consolidated when the Company obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries.

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

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Business combination (Cont'd)

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

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

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in profit or loss.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combination is taken to equity.

Subsidiaries

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

Non-controlling Interests

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

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

(b) Revenue and other income recognition

Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Revenue and other income recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- The customer simultaneously received and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Rental income

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

Dividend income

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

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Government grants

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the straight-line basis over the expected lives of the related assets.

Subsidies income from the government

Income from subsidies is recognised when services stipulated in the contracts entered are provided. Subsidies receivable is accrued on a timely basis, by reference to the contracts entered and is recognised as a contract asset on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial 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, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(d) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Other borrowing costs i.e. bank and finance charges, are recognised as expenses in the period in which they are incurred.

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 capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(e) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Income taxes (Cont'd)

Deferred tax (Cont'd)

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(f) Leases

As a lessee

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	Between 34 - 99 years
Motor vehicles	5 years
Plant and machinery	10 years

In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies MFRS 136 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in Note 3(p)(ii).

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at RM20,000 or less for each new purchase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Leases (Cont'd)

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term either as part of "revenue" or "other operating income".

(g) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise free warrants granted to shareholders.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost/valuation less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The Group revalues its properties comprising land and buildings once every 5 years or at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying values. Surpluses arising from revaluation are dealt with in the revaluation reserve account within equity. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is based on the cost or valuation of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on straight-line basis over its estimated useful life of each component of an item of property, plant and equipment at the following annual rates:

Plant and machinery	10% - 20%
Commercial vehicles	6% - 20%
Motor vehicles	20%
Computer and software	10% - 20%
Office equipment, signboard and closed circuit television ("CCTV")	10% - 20%
Renovation	10%

Leasehold land are amortised evenly over the remaining lease periods of 34 to 99 years. Buildings, including integrated public transportations terminal ("IPTT") are amortised evenly over the remaining useful lives of 9.84 to 50 years.

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of construction.

No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

(i) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Buildings and IPTT are depreciated on straight-line basis over its remaining useful life of 50 years.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of such property is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Investment properties (Cont'd)

Transfers are made to or from investment property only when there is a change in use. When an entity uses the cost model, transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

(j) Goodwill

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(k) Contract cost

(i) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

(ii) Cost to fulfil a contract

The Group recognises a contract cost that relates directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(l) Inventories

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

The cost of inventories is measured based on *first-in, first-out (FIFO)*, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Inventories are stated at the lower of cost and net realisable value. Costs are accounted for as follows:

- Cost of petrol and diesoline comprises the original purchase price; and
- Cost of spare parts and groceries comprises the original purchase price plus cost incurred in bringing the inventories to their present location and condition.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and fixed deposits with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged deposits, if any.

(n) Financial instruments

(i) Initial recognition and measurement

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

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Any gain or loss on derecognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 3(p)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment in accordance with Note 3(p)(i).

Financial liabilities

Amortised cost

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(o) Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

(p) Impairments

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, contract assets and lease receivables. ECLs are a probability-weighted estimate of credit losses.

Loss allowance of the Group and the Company are measured on either of the following bases:

- (a) 12-month ECLs - represents the ECLs that result from default events that are possible within the next 12 months after the end of the reporting period (or for a shorter period if the expected life of the instrument is less than 12 months); or
- (b) Lifetime ECLs - represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Impairments (Cont'd)

(i) Financial assets (Cont'd)

Simplified approach - trade receivables, lease receivables and contract assets

The Group and the Company apply the simplified approach to provide ECLs for all trade receivables, lease receivables and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where applicable.

General approach - other financial instruments

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments, which requires the loss allowance to be measured at an amount equal to 12-months ECLs at initial recognition.

At the end of each reporting period, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- The financial asset is more than 1 year past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit impaired financial assets

At the end of each reporting period, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession that the lender would not otherwise consider (eg. the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Impairments (Cont'd)

(i) Financial assets (Cont'd)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due. Any recoveries made are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets (excepts for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. 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.

Except for goodwill, previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exist. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for assets in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. An impairment loss recognised for goodwill is not reversed.

(q) Government assistance

Assistance from government is recognised when there is a reasonable assurance that the grant will be received by the Group and the Company will comply with all the attached conditions.

Government assistance relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

(r) Equity instruments

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

Ordinary shares

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Equity instruments (Cont'd)

Warrants

The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants. Upon exercise of warrants, the proceeds are credited to share capital.

Treasury shares

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction cost is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares.

When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

(s) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(u) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



4. REVENUE

Revenue represents the Group's and the Company's revenue from contracts with customers which are recognised at a point in time and over time.

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Income from:					
Operation of public transportation	(i)	25,510,276	33,580,416	-	-
Dividend income		-	-	19,076,120	18,707,143
IPTT operations	(ii)	70,954,842	55,837,292	-	-
Petrol station operations	(iii)	22,901,174	35,069,604	-	-
Mining management operations	(iv)	27,481	-	-	-
		119,393,773	124,487,312	19,076,120	18,707,143
Timing of recognition:					
- At a point in time		66,605,269	75,899,559	19,076,120	18,707,143
- Over time		52,788,504	48,587,753	-	-
		119,393,773	124,487,312	19,076,120	18,707,143

- (i) Operation of public transportation

	Note	Group	
		2020 RM	2019 RM
Bus fare income	(a)	3,964,275	10,902,833
Government support fund	(b)	13,109,434	14,307,730
Bus charter and advertising income	(c)	8,436,567	8,369,853
		25,510,276	33,580,416

- (a) Bus fare income

The Group provides public bus services that primarily encompass public express bus and stage bus services. Revenue recognition is based on bus fare received from the services that are rendered to the passengers. The performance obligation is satisfied at a point in time and payment is generally due upon completion of services rendered.

- (b) Government support fund

The government support fund accrued to the Group are to address the shortfalls of revenues for certain unprofitable routes, improve operator viability and expand bus route coverage by migrating from fare-box revenue collection to the gross-cost service delivery model.

Included in government support fund is government subsidy amounting to RM2,020,326 (2019: RM1,691,250).

Performance obligation ("PO")

Each of the services are not distinct and are unable to be performed separately. Accordingly, contracts with customer are considered as a single PO and are not separately identifiable. The PO is satisfied upon completing the necessary bus routes and fulfilling the necessary requirements imposed, followed by the submission of the monthly report to the relevant government authority for its approval.

Timing of recognition

Revenue recognition is based on the accrual basis. The Group has enforceable right to payment upon fulfilment of the PO. Any price differences will be adjusted against revenue in the period of approval.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

4. REVENUE (Cont'd)

(i) Operation of public transportation (Cont'd)

(c) Bus charter and advertising income

The Group provides bus charter services and advertisement spaces on the operating buses to customers. Revenue recognition is based on daily, weekly or monthly rental fee receivable for services rendered.

Performance Obligation ("PO")

The contracts with the customers are considered as a single PO and are not separately identifiable. The PO is satisfied over time as the services are rendered.

Timing of recognition

The customer simultaneously receives and consumes all of the benefits of services provided by the Group. Therefore, revenue is recognised over time based on the period for which services have been rendered.

(ii) IPTT operations

	Note	Group	
		2020 RM	2019 RM
Rental income	(a)	30,857,607	25,537,195
Project facilitation fee	(b)	39,550,000	29,350,000
Entrance fee	(c)	33,300	81,579
Car park fee	(d)	156,520	495,543
Profit sharing from terminal management	(e)	357,415	372,975
		70,954,842	55,837,292

(a) Rental income

The Group leases out commercial space at its terminals to retail tenants. Revenue recognition is based on the monthly rental fee receivable for services rendered.

(b) Project facilitation fee

The Group provides services and rental of facilities to potential customers in relation to the development of new terminals. Revenue is based on the agreed proportion of gross development cost on each respective proposed project. The performance obligation is satisfied at a point in time and payment is generally due upon completion of the preliminary concept paper and consultancy services rendered to customer.

(c) Entrance fee

The Group is involved in bus terminal management. The Group derives entrance fee revenue from two sources, which are collection of monthly charges from customers and sales of coupon tickets. Revenue recognition is based on the monthly charges collected from the customers and coupon tickets sold.

Performance Obligation ("PO")

The PO of the Group is to allow taxis and buses to enter the terminal and pick up passengers upon payment of the monthly charges and the presentation of coupon tickets respectively. The PO is satisfied upon the grant of the right to enter the terminal.

Timing of recognition

Revenue is recognised at a point in time for both the monthly charges and sales of coupon tickets whenever proceeds are collected and the rights to enter the terminal are granted.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



4. REVENUE (Cont'd)

(ii) IPTT operations (Cont'd)

(d) Car park fee

The Group derives revenue of car park fee from two sources which are parking tickets and monthly season passes. For car park fee from parking tickets, the customers obtain their parking tickets when they enter the car park and the Group receives payment based on fixed rates upon their exit. Revenue from monthly season passes is derived from monthly car park fees collected from the customers.

Performance Obligation ("PO")

The PO of the Group is to provide the parking lots to the customers. The PO is satisfied upon the services were rendered.

Timing of recognition

(a) Parking tickets

The revenue is recognised at the point of which the services were rendered upon the customers use the car park and the Group has the right to the payment.

(b) Monthly season pass

The revenue is recognised at the point of which the monthly season pass is renewed and the right to use is granted to the customers.

(e) Profit sharing from terminal management

The Group is involved in bus terminal management. The Group outsourced the operation and maintenance of terminal management systems to a third-party vendor. The Group derives revenue based on pre-agreed profit-sharing rates.

Performance Obligation ("PO")

The PO of the Group is to manage the overall daily operation and activities of the terminals. The PO is satisfied over time as the services are provided.

Timing of recognition

Revenue is recognised over time based on the period for which services are rendered based on pre-agreed profit-sharing rates.

(iii) Petrol station operations

Petrol station operations comprise service stations and convenience stores. The petrol service station supplies motor fuels, lubricating oils and other petroleum products while convenience store supplies retail mart products. Revenue is recognised when the control over the products or services have been transferred and rendered to the customer. The performance obligation is satisfied at a point in time and payment is generally due upon completion of services rendered.

(iv) Mining management operations

During the current financial year, the Group has entered into a Joint Venture Agreement ("JVA") with a third party, whereby the Group provides project management services which include identifying, negotiating and securing limestone and silica sand resources purchase contracts with buyers. The Group derives revenue based on monthly pre-agreed profit-sharing rates.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

4. REVENUE (Cont'd)

(iv) Mining management operations (Cont'd)

Performance Obligation ("PO")

The PO of the Group is to provide project management services in the mining operations. The services represent a series of distinct services rendered over time and such services are satisfied over time as the Group transfers the benefit of the services to the customers as it performs. However, the profit-sharing rate is charged on monthly basis and there is no stand-alone price for each of the distinct PO. Allocation of transaction price is not necessary due to the services are provided concurrently.

Timing of recognition

Revenue is recognised over time based on the period for which services are rendered based on the pre-agreed profit-sharing rates.

5. INVESTMENT REVENUE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Interest income from:				
Fixed deposits	315,753	528,756	264,635	154,263
Other investments	2,378	5,280	2,378	5,280
	318,131	534,036	267,013	159,543

6. OTHER OPERATING INCOME/(EXPENSES) AND EMPLOYEE BENEFITS EXPENSE

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Auditors' remuneration:				
- statutory audit	(140,000)	(132,000)	(52,000)	(52,000)
- other services	(5,000)	(5,000)	(5,000)	(5,000)
Amortisation of contract cost	(65,096)	-	-	-
Deposits forfeited	86,176	-	-	-
Expenses related to leases				
- short-term leases	(465,194)	(435,757)	-	-
- leases of low-value assets	(18,735)	(15,320)	-	-
Interest income from current account	183,393	99,187	96,754	73,042
Loss on disposal of property, plant and equipment	-	(104,946)	-	-
Property, plant and equipment written off	(300)	(1,634)	-	-
Rental income	4,017,556	6,384,866	-	-
Wage subsidy	1,692,600	-	6,000	-

Included in employee benefits expense of the Group and of the Company are contributions made to EPF of RM314,635 (2019: RM305,274) and RM3,900 (2019: RM10,260) respectively.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



7. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Salaries, allowances and bonuses	1,201,750	1,086,500	186,000	173,000
EPF contribution	169,892	161,217	17,140	20,610
Fees	228,000	228,000	228,000	228,000
	1,599,642	1,475,717	431,140	421,610

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 RM45,404 (2019: RM39,319) and RM5,304 (2019: RM5,300) respectively.

8. FINANCE COSTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Bank charges, commitment fees and commission charges	999	107,765	470	1,026
Bank guarantee charges	6,641	7,595	-	-
Cash Line-i interest	-	2,043,248	-	860,883
Bank overdraft interest	-	6,214	-	-
Al Bai' Bithaman Ajil Facilities interest	-	5,169,670	-	-
Muamalat Term Financing interest	-	110,457	-	30,848
Commodity Murabahah Term Financing interest	-	114,107	-	114,107
Term loan interest	-	149,215	-	-
Lease liabilities interest	366,364	108,393	-	-
Sukuk Murabahah interest	12,609,829	2,805,837	708,520	152,719
	12,983,833	10,622,501	708,990	1,159,583

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

9. TAX (EXPENSES)/CREDIT

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Tax (expenses)/credit comprise:				
Current tax:				
- Current year	(1,932,641)	(4,191,607)	-	(47,400)
- Over/(Under) provision in prior year	389,952	209,254	47,400	(73)
	(1,542,689)	(3,982,353)	47,400	(47,473)
Deferred tax (Note 17):				
Relating to origination and reversal of temporary differences:				
- Current year	(4,178,764)	2,496,130	-	-
- (Under)/Over provision in prior year	(1,475,912)	417,937	-	-
	(5,654,676)	2,914,067	-	-
Relating to crystallisation of deferred tax liabilities on revaluation surplus of properties:				
- Current year	226,510	154,744	-	-
	(5,428,166)	3,068,811	-	-
	(6,970,855)	(913,542)	47,400	(47,473)

The tax reconciliation from the tax amount at statutory income tax rate to the Group's and to the Company's tax (expenses)/credit is as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit before tax	49,017,250	40,923,049	16,981,350	14,494,552
Tax at the Malaysian statutory income tax rate of 24%	(11,764,140)	(9,821,532)	(4,075,524)	(3,478,692)
Income not subject to tax	311,611	1,268	4,578,840	4,490,982
Expenses not deductible for tax purposes	(1,455,287)	(3,893,452)	(503,316)	(1,059,690)
Crystallisation of deferred tax liabilities on revaluation surplus of properties	226,510	154,744	-	-
Utilisation of current year's investment allowance	6,800,587	12,018,239	-	-
Deferred tax assets not recognised	(4,176)	-	-	-
(Under)/Over provision of deferred tax in prior year	(1,475,912)	417,937	-	-
Over/(Under) provision of current tax in prior year	389,952	209,254	47,400	(73)
Tax (expenses)/credit for the financial year	(6,970,855)	(913,542)	47,400	(47,473)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



9. TAX (EXPENSES)/CREDIT (Cont'd)

The Group has the following estimated unutilised tax losses, unabsorbed capital allowances and unutilised investment allowance available for set-off against future taxable profits as follows (stated at gross):

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unutilised investment allowance	182,390,000	164,758,000	-	-
Unutilised tax losses	28,400	-	-	-
Unabsorbed capital allowances	500	-	-	-
	182,418,900	164,758,000	-	-

The deferred tax assets not recognised of the Group relate to unutilised tax losses of RM17,400 (2019: RM Nil).

The availability of tax losses will be subject to the Inland Revenue Board's discretion and approval to offset against future taxable profit.

Effective from the year of assessment 2019, the unutilised tax losses can only be carried forward up to a maximum of 7 years from the year in which the loss is generated, whilst the unutilised capital allowances and unutilised investment allowance may still be carried forward indefinitely.

10. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

	Group	
	2020	2019
Profit after tax attributable to the owners of the Company (RM)	41,817,077	39,758,574
Weighted average number of ordinary shares (unit)		
Issued ordinary shares at 1 January	1,421,780,350	1,422,780,350
Effects of:		
Exercise of warrants	174,220,959	-
Shares buyback	(9,992,329)	(60,440)
	164,228,630	(60,440)
Weighted average number of ordinary shares at 31 December	1,586,008,980	1,422,719,910
Basic earnings per ordinary share (sen)	2.64	2.79

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

10. EARNINGS PER ORDINARY SHARE (Cont'd)

Diluted earnings per ordinary share

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares and adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2020	2019
Profit after tax attributable to the owners of the Company (RM)	41,817,077	39,758,574
Weighted average number of ordinary shares (unit)		
Issued ordinary shares at 1 January	1,421,780,350	1,422,780,350
Effects of:		
Exercise of warrants	174,220,959	-
Shares buyback	(9,992,329)	(60,440)
	164,228,630	(60,440)
Effect of dilution:		
Conversion/exercise of warrants	-*	28,395,607
Weighted average number of ordinary shares at 31 December	1,586,008,980	1,451,115,517
Diluted earnings per ordinary share (sen)	2.64	2.74

* Not applicable as the warrants have expired on 18 September 2020.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



11. PROPERTY, PLANT AND EQUIPMENT

	At Valuation		At Cost								
	Leasehold land RM	Buildings [^] RM	IPTT RM	Leasehold land RM	IPTT* RM	Plant and machinery RM	Commercial vehicles RM	Motor vehicles RM	Computer and software, renovation, office equipment, signboard and CCTV RM	Capital work-in-progress RM	Total RM
Group											
2020											
At Cost/Valuation											
At 1 January	62,065,000	16,524,094	193,500,000	-	49,494,479	10,302,521	55,176,420	2,839,368	4,632,180	174,526,932	569,060,994
Additions	-	-	-	2,561,844	54,887,500	3,882,684	-	-	9,056	63,331,098	124,672,182
Written off	-	-	-	-	-	-	-	(476,429)	(988)	-	(477,417)
Transfer to investment properties (Note 12)	-	-	-	-	(79,116,887)	-	-	-	-	-	(79,116,887)
Reclassification	-	-	-	-	230,930,160	-	-	-	-	(230,930,160)	-
At 31 December	62,065,000	16,524,094	193,500,000	2,561,844	256,195,252	14,185,205	55,176,420	2,362,939	4,640,248	6,927,870	614,138,872
Accumulated Depreciation											
At 1 January	324,734	184,512	1,872,387	-	-	3,883,118	22,140,195	1,986,130	1,272,270	-	31,663,346
Charge for the financial year	779,362	536,467	4,493,730	25,877	2,241,429	2,008,007	4,477,914	207,169	464,703	-	15,234,658
Written off	-	-	-	-	-	-	-	(476,426)	(691)	-	(477,117)
At 31 December	1,104,096	720,979	6,366,117	25,877	2,241,429	5,891,125	26,618,109	1,716,873	1,736,282	-	46,420,887
Carrying Amount											
At 31 December	60,960,904	15,803,115	187,133,883	2,535,967	253,953,823	8,294,080	28,558,311	646,066	2,903,966	6,927,870	567,717,985

[^] As at 31 December 2020, the title of a building of the Group with carrying amount of RM7,352,400 is in the process of being registered in the name of its subsidiary.

* The completion of the construction of the IPTT is near to financial year end which the Directors opined that the market value is not expected to differ materially from the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

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

Group	At Valuation				At Cost				Total RM			
	Leasehold land RM	Buildings [^] RM	IPTT RM	Leasehold land RM	Building RM	IPTT# RM	Plant and machinery RM	Commercial vehicles RM		Motor vehicles RM	Computer and software, renovation, office equipment, signboard and CCTV RM	Capital work-in-progress RM
2019												
At Cost/Valuation												
At 1 January	33,860,000	4,140,000	135,000,000	1,294,511	10,891,680	67,090,566	10,270,811	61,844,131	2,149,663	4,616,550	135,656,675	466,814,587
Additions	-	-	-	7,971,720	-	3,420	31,710	210,000	689,705	34,060	88,364,736	97,305,351
Disposals	-	-	-	-	-	-	-	(6,877,711)	-	-	-	(6,877,711)
Written off	-	-	-	-	-	-	-	-	-	(18,430)	-	(18,430)
Reclassification	-	-	-	-	-	49,494,479	-	-	-	-	(49,494,479)	-
Revaluation	28,205,000	12,384,094	58,500,000	(9,266,231)	(10,891,680)	(67,093,986)	-	-	-	-	-	11,837,197
At 31 December	62,065,000	16,524,094	193,500,000	-	-	49,494,479	10,302,521	55,176,420	2,839,368	4,632,180	174,526,932	569,060,994
Accumulated Depreciation												
At 1 January	1,696,384	621,498	11,332,633	27,245	334,028	1,896,452	2,180,168	21,696,779	1,869,394	820,867	-	42,475,448
Charge for the financial year	571,000	274,205	3,525,063	48,853	127,664	821,349	1,702,950	4,466,181	116,736	468,199	-	12,122,200
Disposals	-	-	-	-	-	-	-	(4,022,765)	-	-	-	(4,022,765)
Written off	-	-	-	-	-	-	-	-	-	(16,796)	-	(16,796)
Revaluation	(1,942,650)	(711,191)	(12,985,309)	(76,098)	(461,692)	(2,717,801)	-	-	-	-	-	(18,894,741)
At 31 December	324,734	184,512	1,872,387	-	-	3,883,118	22,140,195	1,986,130	1,272,270	1,272,270	-	31,663,346
Carrying Amount												
At 31 December	61,740,266	16,339,582	191,627,613	-	-	49,494,479	6,419,403	33,036,225	853,238	3,359,910	174,526,932	537,397,648

[^] As at 31 December 2019, the title of a building of the Group with carrying amount of RM7,536,430 is in the process of being registered in the name of its subsidiary.
[#] The remaining cost as at 31 December 2019 represents solely the cost of the bus terminal located at ground floor level instead of the construction cost of the entire building of Kampar Putra Sentral. No depreciation has been provided for the partially completed terminal as it does not meet the operating capability in the manner intended by the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



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

	Motor vehicle RM
Company	
2020	
At cost	
At 1 January / 31 December	<u>166,970</u>
Accumulated depreciation	
At 1 January / 31 December	<u>166,969</u>
Carrying amount	<u>1</u>
2019	
At cost	
At 1 January / 31 December	<u>166,970</u>
Accumulated depreciation	
At 1 January / 31 December	<u>166,969</u>
Carrying amount	<u>1</u>
<u>Right-of-use assets</u>	

The Group leases several assets and the information about leases of the Group as lessee is presented below:

	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Total RM
2020				
Carrying amount				
At 1 January	61,740,266	848,252	1,329,117	63,917,635
Addition	2,561,844	-	3,880,624	6,442,468
Written off	-	(1)	-	(1)
Depreciation	(805,239)	(203,171)	(490,852)	(1,499,262)
At 31 December	<u>63,496,871</u>	<u>645,080</u>	<u>4,718,889</u>	<u>68,860,840</u>
2019				
Carrying amount				
At 1 January	33,430,882	271,285	1,492,021	35,194,188
Addition	7,971,720	689,705	-	8,661,425
Depreciation	(619,853)	(112,738)	(162,904)	(895,495)
Revaluation	20,957,517	-	-	20,957,517
At 31 December	<u>61,740,266</u>	<u>848,252</u>	<u>1,329,117</u>	<u>63,917,635</u>

The leasehold land generally have lease terms between 34 to 99 years. Motor vehicles and plant and machinery have lease terms of 10 years.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

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

Right-of-use assets (Cont'd)

The motor vehicles and plant and machinery are acquired under lease arrangement and are pledged as security for the related lease liabilities (Note 26).

Assets pledged as security

As at 31 December 2020, leasehold land, IPTT and certain capital work-in-progress ("CWIP") of the Group with carrying amount of RM480,045,174 (2019: RM448,146,817) are pledged to a financial institution for banking facility granted to the Company as disclosed in Note 26.

Assets held in trust

The Group has commercial vehicles with carrying amount of RM6,035,318 (2019: RM6,943,659) being registered under the names of other permit holders who hold the commercial vehicles in trust for the Group. The Group has been granted the rights to use the Operators' Licenses held by other permit holders to operate certain bus routes.

The Group's motor vehicle with a carrying amount of RM1 (2019: RM1) is held in trust by a former Director of a subsidiary.

Capitalisation of borrowing costs

Included in additions of the Group during the financial year are capitalised borrowing costs amounting to RM Nil (2019: RM3,164,719).

Revaluation of leasehold land, buildings and IPTT

Leasehold land, buildings and IPTT were last revalued on 31 July 2019. Their fair values were arrived at by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

The fair values of the land, buildings and IPTT were determined based on comparison of similar properties in the same location and/or cost or contractor's method where there is a building erected upon it by estimating the cost of constructing a new similar building and deducting therefrom all the depreciation due to physical, design and economic obsolescence.

The fair values of the land, buildings and IPTT are categorised at Level 3 of the fair value hierarchy and were estimated using observable inputs for the properties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



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

If the land, buildings and IPTT currently carried at valuation were measured using the cost model, the carrying amounts would have been as follows:

	Group	
	2020 RM	2019 RM
Leasehold land:		
At cost	18,159,073	18,159,073
Less: Accumulated depreciation	(1,432,740)	(1,203,321)
	16,726,333	16,955,752
Buildings:		
At cost	13,796,516	13,796,516
Less: Accumulated depreciation	(1,609,554)	(1,301,998)
	12,186,962	12,494,518
IPTT:		
At cost	204,998,041	204,998,041
Less: Accumulated depreciation	(26,884,160)	(22,718,021)
	178,113,881	182,280,020

12. INVESTMENT PROPERTIES

	IPTT RM	Building RM	Total RM
Group			
2020			
At cost			
At 1 January	-	6,636,056	6,636,056
Transfer from property, plant and equipment (Note 11)	79,116,887	-	79,116,887
At 31 December	79,116,887	6,636,056	85,752,943
Accumulated depreciation			
At 1 January	-	297,174	297,174
Charge for the financial year	659,307	104,301	763,608
At 31 December	659,307	401,475	1,060,782
Carrying amount	78,457,580	6,234,581	84,692,161
At fair value	78,732,005	6,526,000	85,258,005

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

12. INVESTMENT PROPERTIES (Cont'd)

	IPTT RM	Building RM	Total RM
Group			
2019			
At cost			
At 1 January / 31 December	-	6,636,056	6,636,056
Accumulated depreciation			
At 1 January	-	136,032	136,032
Charge for the financial year	-	161,142	161,142
At 31 December	-	297,174	297,174
Carrying amount	-	6,338,882	6,338,882
At fair value	-	6,526,000	6,526,000

The investment properties are held to earn rental income and for capital appreciation.

The strata titles of the properties are still in the process of registering in the name of the Group.

The following are the operating income and expenses in respect of the investment properties:

	Group	
	2020 RM	2019 RM
Rental income	480,000	480,000
Direct operating expenses	80,701	80,931

There was no operating income and expenses for the IPTT for the current financial year.

As at 31 December 2020, IPTT with carrying amount of RM78,457,580 are pledged to a licensed financial institution for banking facilities granted to the Company as disclosed in Note 26.

The fair values of the investment properties at 31 December 2020 were determined based on the Directors' best estimate and categorised at Level 3 of the fair value hierarchy. The fair values of the said properties in the previous financial year were arrived at by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, which is categorised at Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



13. CONTRACT COST

	Group	
	2020 RM	2019 RM
At cost:		
Cost to obtain a contract	<u>600,000</u>	-
Accumulated amortisation		
Balance at 1 January	-	-
Current charge	<u>65,096</u>	-
Balance at 31 December	<u>65,096</u>	-
Carrying amount	<u>534,904</u>	-

Cost to obtain a contract primarily comprises one-off cost payable to the joint venture partner in relation to the mining management operations as stipulated in the JVA (Note 4(iv)).

The cost to obtain a contract is amortised over the JVA tenure of 5 years.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM	2019 RM
Unquoted shares at cost:		
At 1 January	<u>135,772,347</u>	65,772,347
Additions	<u>16,165,100</u>	70,000,000
At 31 December	<u>151,937,447</u>	135,772,347

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

14. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective equity interest		Principal activities
		2020 %	2019 %	
CKS Labur Sdn. Bhd.	Malaysia	100	100	Petrol station operator.
Ipoh Link Sdn. Bhd.	Malaysia	100	100	Providing management services for bus operation.
Syarikat Sumber Manusia Sdn. Bhd.	Malaysia	100	100	Providing human resource management services.
Terminal Urus Sdn. Bhd.	Malaysia	100	100	Bus terminal management.
The Combined Bus Services Sdn. Bhd. ("TCBS")	Malaysia	99.96	99.96	Operators of bus terminal, petrol station, public transportation and leasing of plant and equipment.
Star Kensington Sdn. Bhd. ("SKSB")	Malaysia	99.99	95.71	Petrol station operator.
CKS Bumi Sdn. Bhd. ("CKSB")	Malaysia	99.99	69.99	Bus operator, operator of petrol station and providing management services.
PTRANS Resources Sdn. Bhd. ("PRSB")	Malaysia	100	-	Project management services in mining operations.

(a) Incorporation of a subsidiary

On 15 April 2020, the Company incorporated a subsidiary, PRSB with a paid-up capital of 100 ordinary shares, totalling RM100 of which the Company holds 100% equity interest.

(b) Additional subscription of shares in a subsidiary

The Company has on 31 December 2020 subscribed for an additional 16,000,000 new ordinary shares in TCBS as satisfaction of RM16,000,000 owing from TCBS.

In the previous financial year, the Company had subscribed for an additional 70,000,000 new ordinary shares in TCBS as satisfaction of RM70,000,000 owing from TCBS. Consequently, the effective equity interest in TCBS was increased from 99.90% to 99.96%.

(c) Acquisition of additional interest in subsidiaries

On 8 October 2020, the Company acquired 15,000 ordinary shares in SKSB, representing 4.28% equity interest in SKSB from a non-controlling interest for a total consideration of RM15,000.

On 31 December 2020, the Company acquired 150,000 ordinary shares in CKSB, representing 30% equity interest in CKSB from a non-controlling interest for a total consideration of RM150,000.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



14. INVESTMENT IN SUBSIDIARIES (Cont'd)

The non-controlling interests ("NCI") at the end of the reporting period comprise the following:

	TCBS	SKSB	CKSB	Total
2020				
NCI percentage of ownership and voting interest	0.04%	0.01%	0.01%	
Carrying amount of NCI (RM)	129,519	333	512	130,364
Profit/(Loss) allocated to NCI (RM)	16,768	(786)	213,336	229,318
Total comprehensive income/(loss) allocated to NCI (RM)	16,768	(786)	213,336	229,318
2019				
NCI percentage of ownership and voting interest	0.04%	4.29%	30.01%	
Carrying amount of NCI (RM)	118,694	138,501	1,304,546	1,561,741
Profit allocated to NCI (RM)	43,020	3,346	204,567	250,933
Total comprehensive income allocated to NCI (RM)	61,695	47,375	471,759	580,829

Summarised financial information before intra-group elimination

	TCBS RM	SKSB RM	CKSB RM
At 31 December 2020			
Non-current assets	630,068,899	3,297,119	10,204,897
Current assets	55,419,827	1,862,766	1,737,338
Non-current liabilities	(186,592,572)	(1,608,488)	(2,643,310)
Current liabilities	(175,099,238)	(224,957)	(4,181,412)
Net assets	323,796,916	3,326,440	5,117,513
For the financial year ended 31 December 2020			
Revenue	96,702,486	4,925,018	11,680,609
Profit for the financial year	41,919,545	39,128	711,119
Total comprehensive income	41,919,545	39,128	711,119
Cash flows from:			
Operating activities	55,905,933	331,940	1,045,694
Investing activities	(119,180,404)	8,420	2,702
Financing activities	53,892,176	(382,489)	(813,815)
Dividends to NCI	7,880	-	-
At 31 December 2019			
Non-current assets	526,093,922	3,573,928	10,414,864
Current assets	46,825,389	2,036,888	1,624,648
Non-current liabilities	(230,533,466)	(2,159,500)	(3,676,541)
Current liabilities	(58,924,474)	(164,004)	(3,956,577)
Net assets	283,461,371	3,287,312	4,406,394

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

14. INVESTMENT IN SUBSIDIARIES (Cont'd)

	TCBS RM	SKSB RM	CKSB RM
For the financial year ended 31 December 2019			
Revenue	89,403,684	7,267,685	18,201,435
Profit for the financial year	43,019,514	78,000	681,887
Total comprehensive income	61,694,545	1,104,318	1,572,520
Cash flows from:			
Operating activities	63,974,948	358,016	1,066,181
Investing activities	(76,804,782)	19,605	37,774
Financing activities	21,464,298	706,002	(866,420)
Dividends to NCI	18,858	-	-

15. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2020 RM	2019 RM
Interest bearing at KLIBOR + 1.85% per month	233,203,561	243,125,800
Non-interest bearing	105,270,455	32,494,163
	338,474,016	275,619,963
Analysed as:		
Repayable within one year	157,913,502	47,081,712
Repayable between one and two years	39,497,613	24,312,580
Repayable between two and five years	129,777,868	116,700,384
Repayable more than five years	11,285,033	87,525,287
	180,560,514	228,538,251
	338,474,016	275,619,963

The interest bearing portion is related to the advances extended to certain subsidiaries for the purpose of redemption of the subsidiaries' borrowings in the previous financial year and to finance a subsidiary's capital expenditure requirement at terminals and the subsidiary's working capital requirement by using the proceeds from issuance of Sukuk Murabahah (Note 26).

Non-interest bearing portion is repayable on demand whereas the interest bearing portion is repayable over 7 years. Both balances are non-trade and unsecured.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



16. GOODWILL

	Group	
	2020 RM	2019 RM
At cost		
1 January / 31 December	<u>1,622,631</u>	<u>1,622,631</u>

Goodwill 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 included 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.

During the financial year, the Group performed goodwill impairment testing and no impairment loss is required to be recognised as the recoverable amounts are higher than the respective carrying amounts.

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:

- (i) Pre-tax discount rates is 8.59% (2019: 6.54% to 7.79%);
- (ii) There will be no material changes in the structure and principal activities of the subsidiaries;
- (iii) Subsidiaries currently operating petrol stations will continue to operate under respective agreements entered with fuel producers for the duration of the forecast;
- (iv) Projected growth rate of 2% (2019: 2%) per annum;
- (v) 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
- (vi) Receivables and payables turnover periods are estimated to be consistent with the current financial year.

17. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2020 RM	2019 RM
Deferred tax assets	1,515,536	7,033,289
Deferred tax liabilities	<u>(2,572,277)</u>	<u>(2,661,864)</u>
	<u>(1,056,741)</u>	<u>4,371,425</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

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

The movement of net deferred tax assets/(liabilities) are as follows:

	Group	
	2020 RM	2019 RM
At 1 January	4,371,425	8,678,279
Recognised in profit or loss (Note 9)	(5,428,166)	3,068,811
Revaluation surplus of properties	-	(7,375,665)
At 31 December	<u>(1,056,741)</u>	<u>4,371,425</u>

The recognised deferred tax assets/(liabilities) before offsetting are as follows:

	Unutilised investment allowance RM	Unutilised tax losses and unabsorbed tax capital allowances RM	Property, plant and equipment RM	Revaluation surplus of properties RM	Total RM
Group					
2020					
At 1 January	39,547,101	-	(21,359,193)	(13,816,483)	4,371,425
Recognised in profit or loss	4,226,558	2,804	(9,884,038)	226,510	(5,428,166)
At 31 December	<u>43,773,659</u>	<u>2,804</u>	<u>(31,243,231)</u>	<u>(13,589,973)</u>	<u>(1,056,741)</u>
2019					
At 1 January	33,173,638	-	(17,899,797)	(6,595,562)	8,678,279
Recognised in profit or loss	6,373,463	-	(3,459,396)	154,744	3,068,811
Revaluation surplus of properties	-	-	-	(7,375,665)	(7,375,665)
At 31 December	<u>39,547,101</u>	<u>-</u>	<u>(21,359,193)</u>	<u>(13,816,483)</u>	<u>4,371,425</u>

Deferred tax assets and liabilities are offset above where there is legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

The Group has recognised the deferred tax assets based on the current level of operations of a subsidiary and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



18. INVENTORIES

	Group	
	2020 RM	2019 RM
At cost:		
Spare parts	121,431	129,118
Trading goods:		
Petrol and diesel fuel	544,961	650,863
Groceries	204,738	230,888
	871,130	1,010,869

The Group recognised inventories as cost of sales amounted to RM21,491,012 (2019: RM33,324,239).

19. TRADE AND OTHER RECEIVABLES

	Group	
	2020 RM	2019 RM
Trade receivables	44,809,262	26,548,984
Other receivables	770,117	1,887,150
	45,579,379	28,436,134

Trade receivables of the Group comprise amounts receivables for the sales of goods and services rendered. Other receivables comprise mainly overpayment of electricity and water expenses. In the prior year, other receivables comprised mainly rental of space and equipment receivable and GST receivables where the credit period granted for rental of space and equipment receivable was 90 days.

Included in other receivables is a deposit of RM115,000 (2019: RM115,000) placed with a licensed bank for the Group's bank guarantee facility.

The Group trades in cash term or credit terms which ranged from 60 to 120 days (2019: 60 to 120 days).

20. CONTRACT ASSETS

	Group	
	2020 RM	2019 RM
Government support fund	304,500	1,009,000

The contract assets relate to the Group's rights to the government support fund arising from the stage bus services provided up to the end of the reporting period but yet to be approved by the government.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

21. OTHER ASSETS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Deposit paid for acquisition of land	-	256,184	-	-
Refundable deposits	1,652,685	799,927	4,500	6,500
Prepayments	1,388,932	1,016,090	120,200	73,887
Dividend receivable	-	-	4,394,030	-
	3,041,617	2,072,201	4,518,730	80,387

As at 31 December 2020, included in refundable deposits are deposits paid for Freight Operation Management System and bank guarantees amounting to RM290,368 and RM497,000 respectively. The deposits paid for the purchase of leasehold land had been capitalised as part of plant of property, plant and equipment during the year.

22. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Encumbered	9,759,206	9,838,952	8,997,954	8,759,351
Unencumbered	519,980	11,509,127	29,078	2,277,894
	10,279,186	21,348,079	9,027,032	11,037,245

The encumbered fixed deposits are pledged to licensed banks as security for bank guarantee facilities granted to certain subsidiaries and the Sukuk Murabahah facility granted to the Company.

The effective interest rates of the Group's and of the Company's deposits range from 1.55% to 3.00% (2019: 2.95% to 4.00%) per annum.

23. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2020 Unit	2019 Unit	2020 RM	2019 RM
Issued and fully paid:				
At 1 January	1,422,780,350	1,422,780,350	167,092,924	167,092,924
Exercise of warrants	512,620,367	-	120,465,786	-
Transaction costs of share issue	-	-	(1,818)	-
At 31 December	1,935,400,717	1,422,780,350	287,556,892	167,092,924

(a) Ordinary shares

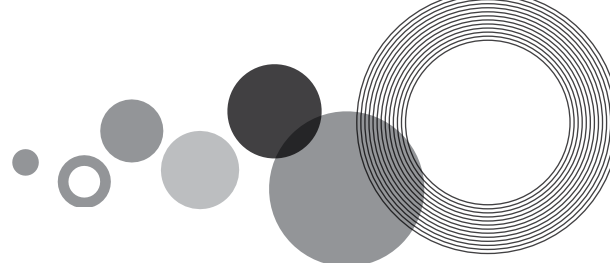
During the financial year, the paid-up share capital of the Company was increased from 1,422,780,350 shares to 1,935,400,717 shares by way of issuance of 512,620,367 new ordinary shares arising from the exercise of 512,620,367 Warrants 19/09/2020 at an exercise price of RM0.235 per warrant for cash.

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

The holders of ordinary shares are entitled dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Group's and the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



23. SHARE CAPITAL (Cont'd)

(b) Detachable Warrants 19/09/2020

All the Warrants 19/09/2020 issued are constituted under a Deed Poll executed by the Company. The outstanding unexercised warrants have expired on 18 September 2020.

The movement in the warrants is as follows:

	Group and Company	
	2020 Unit	2019 Unit
At 1 January	531,436,450	531,436,450
Exercised	(512,620,367)	-
Lapsed	(18,816,083)	-
At 31 December	-	531,436,450

The salient features of the warrants were as follows:

- (i) Each warrant entitles the registered holder, at any time during the exercise period to subscribe for one (1) ordinary share at an exercise price of RM0.235 each, subject to adjustments in accordance with the provisions of the Deed Poll;
- (ii) The warrants may be exercisable at any time within a period of three (3) years commencing from and including the date of issuance of the warrants and ending at 5pm on the expiry date i.e. 19 September 2020. The expiry date is a day falling immediately before the 3rd anniversary of the date of issuance of the warrant and if such date is not a market day, then on the preceding market day; and
- (iii) The warrant holders are not entitled to any voting rights or to participate in any form of distribution and/or offer of securities in the Company other than on winding-up, compromise or arrangement of the Company until and unless such warrant holders exercise their warrants into new ordinary shares of the Company.

24. TREASURY SHARES

This amount represents the acquisition cost of treasury shares.

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 24 September 2020, approved the renewal of the Company's plan and mandate to authorise the directors of the Company to buy back its own shares up to 10% of the existing total issued and paid-up share capital.

During the financial year, the Company has repurchased 30,200,000 (2019: 1,000,000) of its issued ordinary shares from the open market at an average price of RM0.2554 (2019: RM0.23) per ordinary share.

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

As at 31 December 2020, the Company held a total of 31,200,000 (2019: 1,000,000) treasury shares out of its 1,935,400,717 (2019: 1,422,780,350) issued ordinary shares. The treasury shares are held at a carrying amount of RM7,943,806 (2019: RM230,000).

Treasury shares have no rights to voting, dividends and participation in other distribution.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

25. PROPERTY REVALUATION RESERVE

The revaluation reserve represents increases in fair value of property, plant and equipment, net of tax and is non-distributable by way of dividend payment.

26. BORROWINGS

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Secured:					
Lease liabilities	(a)	3,875,505	1,411,898	-	-
Sukuk Murabahah ("Sukuk")	(b)	222,000,000	300,000,000	222,000,000	300,000,000
		225,875,505	301,411,898	222,000,000	300,000,000
Analysed as:					
Current liabilities					
- within one year		31,049,210	18,488,688	30,000,000	18,000,000
Non-current liabilities					
- one to two years		43,043,332	30,909,742	42,000,000	30,000,000
- two to five years		103,681,714	144,013,468	102,000,000	144,000,000
- more than five years		48,101,249	108,000,000	48,000,000	108,000,000
		194,826,295	282,923,210	192,000,000	282,000,000
		225,875,505	301,411,898	222,000,000	300,000,000

At the end of the reporting period, the effective profit/interest rates per annum of the borrowings are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Lease liabilities	3.09 - 7.34	4.81 - 7.33	-	-
Sukuk	3.70 - 4.79	5.02	3.70 - 4.79	5.02

(a) Lease liabilities

	Group	
	2020 RM	2019 RM
Minimum lease payments:		
Repayable within one year	1,291,717	567,781
Repayable between one and two years	1,222,213	969,664
Repayable between two and five years	1,895,489	13,568
Repayable more than five years	102,178	-
	4,511,597	1,551,013
Less: Future finance charges	(636,092)	(139,115)
Present value of lease liabilities	3,875,505	1,411,898

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



26. BORROWINGS (Cont'd)

(a) Lease liabilities (Cont'd)

	Group	
	2020 RM	2019 RM
Present value of lease liabilities:		
Repayable within one year (current)	1,049,210	488,688
Repayable between one and two years	1,043,332	909,742
Repayable between two and five years	1,681,714	13,468
Repayable more than five years	101,249	-
Repayable after one year (non-current)	2,826,295	923,210
	3,875,505	1,411,898

(b) Sukuk

During the previous financial year ended 31 December 2019, the Company established a Sukuk Murabahah Programme ("Sukuk") with a total nominal value of RM500 million, which is structured based on the Shariah Principle of Murabahah (via a Tawarruq arrangement) and has a tenure of fifteen (15) years from the date of the first issuance of the Sukuk. On 22 October 2019, the Company has issued the first tranche unrated Sukuk in nominal value to the sole subscriber, United Overseas Bank (Malaysia) Bhd., totalling RM300 million.

The Sukuk is secured by the following:

- (i) First legal charge over certain properties of the Group (Notes 11 and 12);
- (ii) Charge over the shares of TCBS;
- (iii) All monies debenture over present and future assets and properties of TCBS;
- (iv) Pledge of the Company's fixed deposit (Note 22);
- (v) Assignment over the first 50% proceeds received upon exercise of the remaining warrants to be utilised towards the repayment of the Sukuk;
- (vi) Assignment over the present and future rental proceeds from the customers of IPTT; and
- (vii) Assignment over the rights, titles, interests and benefits in and under the insurance policies taken up in relation to pledged assets (Notes 11 and 12).

27. DEFERRED CAPITAL GRANT

	Group	
	2020 RM	2019 RM
At 1 January		
Less: Amortised for the financial year	8,582,800	8,782,400
At 31 December	(199,600)	(199,600)
	8,383,200	8,582,800
Analysed as:		
Deferred capital grant	8,383,200	8,582,800
Less: Amount due within one year (shown under current liabilities)	(199,600)	(199,600)
Non-current portion	8,183,600	8,383,200

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade payables	747,171	971,316	-	-
Other payables	8,320,843	7,103,749	358,495	55,261
	9,068,014	8,075,065	358,495	55,261

Trade payables of the Group comprised amount outstanding for trade purchases. The terms granted to the Group for trade purchases were cash terms or credit period ranged from 30 to 90 days (2019: 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 other payables of the Group and of the Company comprised mainly of additional costs for upgrading IPTT, service tax payables and balance payment to the vendor of land acquired during the financial year.

The other payables are unsecured, interest-free and are payable upon demand.

29. OTHER LIABILITIES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Rental received in advance	5,000	-	-	-
Refundable deposits	7,113,351	5,407,704	-	-
Dividend payable				
- owners of the Company	4,760,501	-	4,760,501	-
- non-controlling interests	1,970	-	-	-
Accruals	1,681,400	1,149,658	137,100	132,465
	13,562,222	6,557,362	4,897,601	132,465

Deposits received of the Group comprise mainly refundable deposits received from certain trade receivables of the Group as security deposits for trade transactions. Accruals for the current financial year includes the unbilled cost to obtain a contract (Note 13).

30. DIVIDENDS

	Per ordinary share Sen	Total amount RM	Date of payment
2020			
In respect of financial year ended 31 December 2020:			
- First interim single tier dividend	0.25	3,549,450	20 May 2020
- Special single tier dividend	0.25	4,352,357	15 September 2020
- Second interim single tier dividend	0.25	4,768,501	9 November 2020
- Third interim single tier dividend	0.25	4,760,501	12 January 2021
		17,430,809	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



30. DIVIDENDS (Cont'd)

	Per ordinary share Sen	Total amount RM	Date of payment
2019			
In respect of financial year ended 31 December 2019:			
- First interim single tier dividend	0.25	3,556,950	31 January 2019
- Second interim single tier dividend	0.75	10,670,852	18 December 2019
		<u>14,227,802</u>	

31. RELATED PARTIES DISCLOSURES

(a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the parties or exercise significant influence over the parties in making financial and operating decision, or vice versa, or where the Group and the Company and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with their subsidiaries and key management personnel. The subsidiaries balances are shown in Note 15. The related party transactions of the Group and of the Company are shown below.

(b) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and Company have the following related party transactions during the financial year:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
With subsidiaries:				
Dividends received/receivable	-	-	<u>19,076,120</u>	<u>18,707,143</u>

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors of the Company and its subsidiaries, and certain members of senior management of the Group and of the Company.

The remuneration of the Directors of the Group and of the Company are disclosed in Note 7.

The remuneration of other members of key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Salaries, allowances and bonuses	<u>373,454</u>	407,508	<u>30,000</u>	84,000
EPF contribution	<u>43,842</u>	47,853	<u>3,900</u>	10,260
	<u>417,296</u>	<u>455,361</u>	<u>33,900</u>	<u>94,260</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

32. CAPITAL COMMITMENTS

As at the end of the reporting period, the Group has the following commitments in respect of property, plant and equipment:

	Group	
	2020 RM	2019 RM
Approved and contracted for	<u>96,433</u>	<u>20,551,063</u>

33. SEGMENT INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

For management purposes, the Group is organised into the following five (5) operating segments:

- | | |
|---|--|
| (i) Operation of IPTT | - Operator of IPTT. |
| (ii) Operation of public transportation | - Operator of public transportation. |
| (iii) Operation of petrol station | - Operator of petrol station. |
| (iv) Operation of mining management | - Project management services in mining operations |
| (v) Others | - Investment holding or having principal activities unrelated to operators of integrated public transportation terminal, public transportation, petrol station and project management services in mining operations. |

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3(t). Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax recoverable.

Segment liabilities

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax payable.

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(c) Geographical information

No geographical segment information is presented as the Group's activities and customers are all based in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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33. SEGMENT INFORMATION (Cont'd)

(d) Major customer information

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

		Group	
		2020 RM	2019 RM
Customer A	- Operation of IPTT	39,550,000	29,350,000
Customer B	- Operation of IPTT	17,740,415	14,424,215
Customer C	- Operation of public transportation	13,109,434	14,307,730
Customer D	- Operation of IPTT	12,493,819	-
		82,893,668	58,081,945

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

33. SEGMENT INFORMATION (Cont'd)

	Operation of IPTT RM	Operation of public transportation RM	Operation of petrol station RM	Mining management operations RM	Others RM	Total RM	Elimination RM	Consolidated RM
2020								
Revenue								
External revenue	70,954,842	25,510,276	22,901,174	27,481	-	119,393,773	-	119,393,773
Inter-segment revenue	-	986,500	396,463	-	19,076,120	20,459,083	(20,459,083)	-
Total revenue	70,954,842	26,496,776	23,297,637	27,481	19,076,120	139,852,856	(20,459,083)	119,393,773
Results								
Segment result	58,686,465	3,662,441	985,933	(85,733)	17,326,573	80,575,679	(19,076,120)	61,499,559
Investment revenue	17,529	20,766	12,823	-	267,013	318,131	-	318,131
Interest income	79,986	3,098	3,555	-	96,754	183,393	-	183,393
Finance costs	(11,610,392)	(445,328)	(219,108)	(15)	(708,990)	(12,983,833)	-	(12,983,833)
Profit/(Loss) before tax	47,173,588	3,240,977	783,203	(85,748)	16,981,350	68,093,370	(19,076,120)	49,017,250
Tax expenses								(6,970,855)
Profit for the financial year								42,046,395
Other information								
Capital expenditure:								
Property, plant and equipment	120,781,186	3,885,172	5,824	-	-	124,672,182	-	124,672,182
Depreciation of property, plant and equipment and investment properties	9,898,750	5,486,389	613,127	-	-	15,998,266	-	15,998,266
Amortisation of deferred capital grant	199,600	-	-	-	-	199,600	-	199,600

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



33. SEGMENT INFORMATION (Cont'd)

	Operation of IPTT RM	Operation of public transportation RM	Operation of petrol station RM	Mining management operations RM	Others RM	Total RM	Elimination RM	Consolidated RM
2020								
Assets and liabilities								
Segment assets	639,983,674	51,401,702	20,857,788	561,937	172,838,497	885,643,598	(159,163,206)	726,480,392
Current and deferred tax assets								2,615,604
Unallocated corporate assets								-
Total assets								<u>729,095,996</u>
Segment liabilities	28,835,627	4,881,870	4,110,439	653,299	227,256,096	265,737,331	(8,848,390)	256,888,941
Current and deferred tax liabilities								2,709,980
Unallocated corporate liabilities								-
Total liabilities								<u>259,598,921</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

33. SEGMENT INFORMATION (Cont'd)

	Operation of IPTT RM	Operation of public transportation RM	Operation of petrol station RM	Others RM	Total RM	Elimination RM	Consolidated RM
2019							
Revenue							
External revenue	55,837,292	33,580,416	35,069,604	-	124,487,312	-	124,487,312
Inter-segment revenue	-	1,050,000	523,407	18,707,143	20,280,550	(20,280,550)	-
Total revenue	55,837,292	34,630,416	35,593,011	18,707,143	144,767,862	(20,280,550)	124,487,312
Results							
Segment result	48,823,816	4,048,662	1,325,442	15,421,550	69,619,470	(18,707,143)	50,912,327
Investment revenue	284,989	25,689	63,815	159,543	534,036	-	534,036
Interest income	16,232	8,456	1,457	73,042	99,187	-	99,187
Finance costs	(7,242,559)	(1,853,130)	(367,229)	(1,159,583)	(10,622,501)	-	(10,622,501)
Profit before tax	41,882,478	2,229,677	1,023,485	14,494,552	59,630,192	(18,707,143)	40,923,049
Tax expenses							(913,542)
Profit for the financial year							40,009,507
Other information							
Capital expenditure:							
Property, plant and equipment	97,033,685	264,086	7,580	-	97,305,351	-	97,305,351
Depreciation of property, plant and equipment and investment properties	6,619,485	5,115,066	548,791	-	12,283,342	-	12,283,342
Amortisation of deferred capital grant	199,600	-	-	-	199,600	-	199,600

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



33. SEGMENT INFORMATION (Cont'd)

	Operation of IPTT RM	Operation of public transportation RM	Operation of petrol station RM	Others RM	Total RM	Elimination RM	Consolidated RM
2019							
Assets and liabilities							
Segment assets	517,271,956	57,056,310	21,207,132	196,969,621	792,505,019	(139,229,958)	653,275,061
Current and deferred tax assets							7,033,386
Unallocated corporate assets							389,915
Total assets							<u>660,698,362</u>
Segment liabilities	19,935,930	4,931,341	4,652,370	300,187,726	329,707,367	(5,080,242)	324,627,125
Current deferred tax liabilities							3,767,030
Unallocated corporate liabilities							-
Total liabilities							<u>328,394,155</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

34. FINANCIAL INSTRUMENTS

Categories of financial instruments

The financial assets of the Group consist of trade and other receivables, refundable deposits, fixed deposits with licensed banks and cash and bank balances, whereas the financial liabilities of the Group consist of trade and other payables, dividends payable, refundable deposits, accruals and borrowings, all of which are categorised at amortised costs.

The financial assets of the Company consist of refundable deposits, amount due from subsidiaries, fixed deposits with licensed banks and bank balances, whereas the financial liabilities of the Company consist of other payables, dividend payable, accruals and borrowings, all of which are categorised at amortised costs.

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk.

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its financial risks, including credit risk, interest rate risk and liquidity risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating.

At the end of each reporting period, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

There are no significant changes as compared to the previous financial year.

Credit risk concentration profile

As at 31 December 2020, the Group has significant concentration of credit risk arising from the amounts owing from 2 customers (2019: 4 customers) constituting 80% (2019: 88%) of net trade receivables of the Group.

The contract assets are solely related to government support fund for stage bus services.

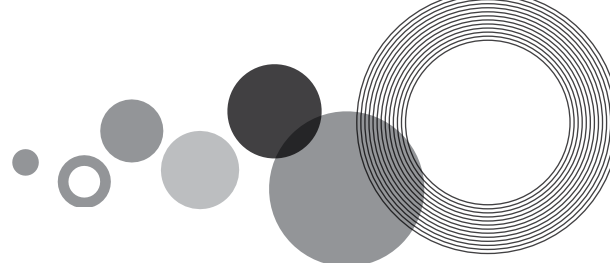
Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position and notes to the financial statements.

In managing the exposure to credit risk, the Group holds security deposits from certain major customers as collateral, totalling RM6,391,125 (2019: RM4,487,525), which is 61% (2019: 45%) of the IPTT operating segment's gross trade receivables. The remaining balance of trade receivables are not secured by any collateral or supported by any other credit enhancement.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



34. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Recognition and measurement of impairment loss

The Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Consistent with the debt recovery process, invoices which are past due more than credit term granted will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years. The Group also consider differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believe that these factors are negligible for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Contract assets RM	Trade receivables		
		Gross RM	Loss allowances RM	Net RM
Group				
2020				
Neither past due nor impaired	304,500	43,074,867	-	43,074,867
Past due but not impaired:				
Less than 30 days	-	77,184	-	77,184
31 to 60 days	-	89,053	-	89,053
61 to 90 days	-	1,151,711	-	1,151,711
More than 90 days	-	416,447	-	416,447
	-	1,734,395	-	1,734,395
	304,500	44,809,262	-	44,809,262
2019				
Neither past due nor impaired	1,009,000	25,343,053	-	25,343,053
Past due but not impaired:				
Less than 30 days	-	956,623	-	956,623
31 to 60 days	-	11,810	-	11,810
61 to 90 days	-	153,375	-	153,375
More than 90 days	-	84,123	-	84,123
	-	1,205,931	-	1,205,931
	1,009,000	26,548,984	-	26,548,984

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

34. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These licensed banks have low credit risks. Hence, a loss allowance is not necessary.

Other receivables and deposits

Other receivables and deposits are neither past due nor impaired. The Group believes that generally no allowance for impairment is necessary in respect of other receivables and deposits that are neither past due nor impaired as these receivables and deposits are mainly arising from debtors that have good records of payment in the past.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the Company's statement of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers the loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the end of the reporting period, there were no indications of impairment in respect of these loans and advances.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to its overall debt position to meet their working capital requirement.

The Group and the Company practice prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



34. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of each reporting period based on contractual undiscounted repayment obligations.

Group	Carrying amount RM	Contractual cash flows RM	Contractual Cash Flows			
			On demand / Within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
2020						
Non-derivative financial liabilities						
Trade and other payables	9,068,014	9,068,014	9,068,014	-	-	-
Other liabilities	13,557,222	13,557,222	13,557,222	-	-	-
Lease liabilities	3,875,505	4,511,597	1,291,717	1,222,213	1,895,489	102,178
Sukuk	222,000,000	244,114,143	37,632,436	48,277,930	109,082,239	49,121,538
	248,500,741	271,250,976	61,549,389	49,500,143	110,977,728	49,223,716
2019						
Non-derivative financial liabilities						
Trade and other payables	8,075,065	8,075,065	8,075,065	-	-	-
Other liabilities	6,557,362	6,557,362	6,557,362	-	-	-
Lease liabilities	1,411,898	1,551,013	567,781	969,664	13,568	-
Sukuk	300,000,000	361,803,971	32,569,209	43,339,447	171,122,029	114,773,286
	316,044,325	377,987,411	47,769,417	44,309,111	171,135,597	114,773,286

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

34. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of each reporting period based on contractual undiscounted repayment obligations. (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Contractual Cash Flows			
			On demand / Within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
Company						
2020						
Non-derivative financial liabilities						
Other payables	358,495	358,495	358,495	-	-	-
Other liabilities	4,897,601	4,897,601	4,897,601	-	-	-
Sukuk	222,000,000	244,114,143	37,632,436	48,277,930	109,082,239	49,121,538
	227,256,096	249,370,239	42,888,532	48,277,930	109,082,239	49,121,538
2019						
Non-derivative financial liabilities						
Other payables	55,261	55,261	55,261	-	-	-
Other liabilities	132,465	132,465	132,465	-	-	-
Sukuk	300,000,000	361,803,971	32,569,209	43,339,447	171,122,029	114,773,286
	300,187,726	361,991,697	32,756,935	43,339,447	171,122,029	114,773,286

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



34. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

Exposure in interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Fixed rate instrument:				
Financial assets	21,195,530	28,800,885	11,926,257	11,128,021
Financial liabilities	(3,875,505)	(1,411,898)	-	-
	<u>17,320,025</u>	<u>27,388,987</u>	<u>11,926,257</u>	<u>11,128,021</u>
Floating rate instrument:				
Financial assets	-	-	233,203,561	243,125,800
Financial liabilities	(222,000,000)	(300,000,000)	(222,000,000)	(300,000,000)
	<u>(222,000,000)</u>	<u>(300,000,000)</u>	<u>11,203,561</u>	<u>(56,874,200)</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rates as of the end of the reporting period, with all other variables held constant:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Effects on profit after tax				
Increase by 25 (2019: 25) basis points	(421,800)	(570,000)	21,287	(108,061)
Decrease by 25 (2019: 25) basis points	421,800	570,000	(21,287)	108,061
Effects on equity				
Increase by 25 (2019: 25) basis points	(421,800)	(570,000)	21,287	(108,061)
Decrease by 25 (2019: 25) basis points	421,800	570,000	(21,287)	108,061

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

35. FAIR VALUE INFORMATION

Assets and liabilities carried at fair value

The fair value measurement hierarchies used to measure non-financial assets at fair value in the statements of financial position are disclosed in Note 11.

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the short term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of the long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near the end of the reporting period.

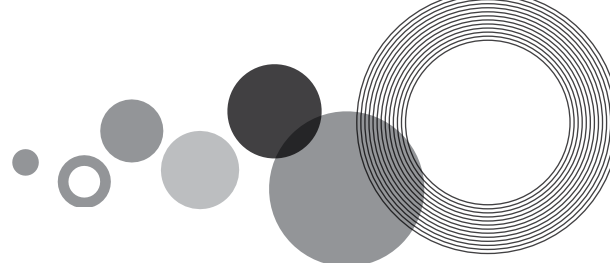
The fair values of lease liabilities are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

Fair value of financial instruments not carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
2020					
Financial liability					
Lease liabilities (non-current)	-	-	2,253,712	2,253,712	2,826,295
2019					
Financial liability					
Lease liabilities (non-current)	-	-	783,080	783,080	923,210

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



36. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and Company's ability to continue as a going concern. The Group and the Company monitor and maintain optimal debt-to-equity ratio, gearing ratio and financial service coverage ratio ("FSCR") that complies with debt covenants and regulatory requirements.

(a) The net debt-to-equity and consolidated gearing ratios at end of the reporting period are as follows:

		Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Borrowings	A	225,875,505	301,411,898	222,000,000	300,000,000
Less:					
Fixed deposits		(10,279,186)	(21,348,079)	(9,027,032)	(11,037,245)
Cash and bank balances		(11,836,899)	(54,429,532)	(2,900,927)	(44,999,399)
Net debts	B	203,759,420	225,634,287	210,072,041	243,963,356
Total equity	C	469,497,075	332,304,207	279,647,503	167,299,400
Debts-to-equity ratio	B/C	43%	68%	75%	146%
Consolidated gearing ratio [^]	A/C	0.48 times	0.91 times	NA	NA

[^] The consolidated gearing ratio is a covenant imposed by a financial institution during the previous financial year following the issuance of Sukuk. It shall not at any time exceed 1.50 times.

(b) The FSCR is a covenant imposed by a financial institution during the previous financial year following the issuance of Sukuk. It shall not at any time be less than 1.25 times.

		Group	
		2020 RM	2019 RM
Earnings before interest, tax, depreciation and amortisation		78,064,445	63,828,892
Opening cash and cash equivalents		65,938,659	9,879,405
	A	144,003,104	73,708,297
Total financial service	B	90,609,829	2,805,837
FSCR (A / B)		1.59 times	26.27 times

There were no changes in the Group's approach to capital management during the financial year as compared to the previous financial year.

The Group and the Company are in compliance with all externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Coronavirus ("Covid-19")

During March 2020, the World Health Organization declared the Coronavirus disease outbreak ("Covid-19") as a global pandemic. As a result, the Malaysian Government has taken certain actions in dealing with the pandemic, which included the declaration of the Movement Control Order ("MCO") which came into effect on 18 March 2020. The introduction of the MCO resulted in the suspension of businesses that were non-essential in the country and had interfered with the general activity levels in the community and the economy.

Despite the Group being an essential service, the Group had temporarily stopped its stage bus and express bus operations on 23 March 2020. The Group only resumed its stage bus and express bus operations on 6 May 2020 and 12 June 2020 respectively. Albeit disruption in the bus operations, fixed overheads remain to incur which reduced the profit of the bus operation. As a measure by the government to relieve the burden on businesses affected by the Covid-19 outbreak, the government announced PRIHATIN economic stimulus package which includes the Wage Subsidy Program and Wage Subsidy Program 2.0 which are financial assistance programs paid to employers who meet the eligibility criteria. The wage subsidy received had relieved the Group during the MCO period and also prevented workers from losing their jobs and source of income. The wage subsidy are paid to those subsidiaries providing direct and indirect labour to the Group. Despite the reimposition of MCO on 7 November 2020 in sub district of Perak and MCO 2.0 on 13 January 2021, the Group's stage bus operations are operating as usual. Meanwhile, lower fuel price has been helpful in lowering the operating costs of the public bus services in 2020.

In regards to the IPTT operations, the Group has agreed not to increase the advertising and promotion rental rates and granted discounts to its shop and kiosk tenants in 2020 to ensure the sustainability of their businesses as well as to maintain good business relationships. Despite the Covid-19 pandemic, the Group still managed to generate higher income from its project facilitation to its major customer and higher rental income from the leasing of advertising and promotional spaces at Kampar Putra Sentral in September 2020 after receiving the full Certificate of Completion and Compliance.

As for the Group's petrol stations operations, the implementation of MCO in March 2020 has substantially reduced domestic fuel demand, coupled with the sudden plunge in global oil prices, had resulted in the lower retail fuel prices. Despite petrol station operation is considered as part of the essential services, the domino effect arising from restricted economy activities in the domestic market weighed heavily on the performance and contribution from this division. However, the retail fuel prices had increased gradually since May 2020 in tandem with the recovery in global oil prices.

Notwithstanding the current impact of the Covid-19 pandemic, the Group is of the view that public transportation will remain as essential need for the general public. With the completion of construction of the IPTT Kampar Putra Sentral in the current year, the Group believes that it will compliment to the demand for public transportation which is set to grow in the foreseeable future, as the Malaysian economy gets back on course and the government embarks on initiatives to develop and improve the public transportation system further. However, since the situation is still evolving and there is considerable uncertainty over the scale and duration of the impact arising from Covid-19, the Group will continuously monitor the impact of Covid-19 on its operations and its financial performance.

(b) Share Consolidation

On 19 November 2020, the Company announced to undertake a proposed share consolidation which involves the consolidation of every three ("3") existing shares in the Company into one ("1") new share. The proposed share consolidation was subsequently completed on 18 January 2021 following the listing of and quotation for 645,133,572 new shares (inclusive of 10,399,999 consolidated treasury shares).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2020



38. SUBSEQUENT EVENTS

(a) Collaboration Agreement with Energetic Point Sdn. Bhd. ("Energetic Point")

On 14 January 2021, the Group has via its subsidiary, Terminal Urus Sdn. Bhd. ("TUSB") entered into a Collaboration Agreement with Energetic Point to collaborate and cooperate in the concession granted by Majlis Perbandaran Kuantan to Energetic Point for managing the terminal management system of a bus terminal known as Terminal Sentral Kuantan located in Kuantan, Pahang Darul Makmur. The Collaboration Agreement shall be effective from 1 February 2021 to 31 January 2030, for a total period of 9 years, with the initial collaboration period of 3 years and may be renewed for another two terms for each of the consecutive 3 years, subject to the mutual agreement by both parties.

The total investment cost for the concession amounted to RM6,100,000 of which TUSB and Energetic Point shall equally bear the investment cost of RM3,050,000 each. All revenue generated and operating costs incurred shall be recognised and borne by Energetic Point and in return, Energetic Point shall pay the Group a fixed monthly management fee of RM100,000 and is entitled to annual increment of at least 3% per year, subject to the mutual agreement by both parties.

(b) Collaboration Agreement with NSS IT Solution Sdn. Bhd. ("NSS IT Solution")

On 23 February 2021, TUSB entered into a Collaboration Agreement with NSS IT Solution to collaborate and cooperate in the concession granted by Majlis Bandaraya Alor Setar to NSS IT Solution for managing a bus terminal known as Terminal Bas Shahab Perdana ("TBSP") located in Alor Setar, Kedah Darul Aman. The Collaboration Agreement shall be effective for a total period of 15 years, commencing from 1 April 2022 or upon the completion of the renovation works in TBSP, whichever is earlier, with the initial collaboration period of 3 years, renewable at each of the consecutive 3 years ("Term") for a total 5 Terms, subject to the mutual agreement by both parties.

The total investment cost for the concession amounted to RM9,000,000 of which TUSB and NSS IT Solution shall each bear RM6,500,000 and RM2,500,000 respectively. Pursuant to the Collaboration Agreement, TUSB is required to construct and complete the renovation work of the commercial area in TBSP and responsible to maintain and manage the commercial area. In return, TUSB is entitled to all the income generated from the commercial area. In contrast, NSS IT Solution is required to renovate, maintain and manage the terminal area of TBSP and is entitled to receive all income generated from operating the terminal area.

In addition, TUSB shall pay a monthly management fee of RM20,000 to NSS IT Solution and is subject to an increment of 7% for every Term completed.

(c) Facilitation fund for development of Kampar Putra Sentral ("KPS")

On 2 April 2021, the Group has via its subsidiary, TCBS entered into a Facilitation Fund Agreement ("FFA") with the Government of Malaysia represented by the Public Private Partnership Unit, Prime Minister's Department and Bank Pembangunan Malaysia Berhad in relation to a grant provided to TCBS for the development of KPS ("Project") amounting to RM8,014,000 or an amount equivalent to 6.24% of the actual construction costs of the Project, whichever is lower, to facilitate the development of the Project.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2021

Total number of issued shares	:	634,733,573 (Excluding 10,399,999 Treasury Shares)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share held

DISTRIBUTION OF SHAREHOLDERS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 to 99	666	9.609	25,907	0.004
100 to 1,000	813	11.729	460,626	0.072
1,001 to 10,000	3,316	47.843	16,731,726	2.636
10,001 to 100,000	1,769	25.523	55,988,859	8.820
100,001 to 31,736,677	364	5.251	422,707,955	66.596
31,736,678* and above	3	0.043	138,818,500	21.870
	6,931	100.000	634,733,573	100.000

Note:

* Denotes 5% of the issued shares.

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of shares held			
	Direct	%	Indirect	%
1. Dato' Sri Cheong Kong Fitt	87,159,500 ^{*1}	13.732	106,413,999 ^{*2}	16.765
2. CBS Link Sdn Bhd	69,668,500 ^{*3}	10.976	-	-
3. Datin Sri Lim Sow Keng	36,745,499	5.789	156,828,000 ^{*4}	24.708

Notes:

*1 Including 86,404,500 shares held through nominee companies.

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

*3 Shares held through nominee company.

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

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of shares held			
	Direct	%	Indirect	%
1. Dato' Sri Cheong Kong Fitt	87,159,500 ^{*1}	13.732	106,413,999 ^{*2}	16.765
2. Dato' Cheong Peak Sooi	6,802,198	1.071	-	-
3. Dato' Haji Mohd Gazali Bin Jalal	86,266	0.013	-	-
4. Tan Sri Dato' Chang Ko Youn	-	-	-	-
5. Dato' Wan Asmadi Bin Wan Ahmad	-	-	-	-
6. Ng Wai Luen	-	-	-	-
7. Azian Binti Kassim	-	-	-	-

Notes:

*1 Including 86,404,500 shares held through nominee companies.

*2 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 2021



THIRTY LARGEST SHAREHOLDERS

	No. of Shares	%
1. Amsec Nominees (Tempatan) Sdn Bhd • Ambank (M) Berhad for CBS Link Sdn Bhd	69,668,500	10.976
2. Datin Sri Lim Sow Keng	36,378,833	5.731
3. Kenanga Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Dato' Sri Cheong Kong Fitt	32,404,501	5.105
4. Kenanga Capital Sdn Bhd • Pledged Securities Account for Dato' Sri Cheong Kong Fitt	20,333,333	3.203
5. Alliancegroup Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Dato' Sri Cheong Kong Fitt (6000149)	17,000,000	2.678
6. Amsec Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Dato' Sri Cheong Kong Fitt	16,666,666	2.626
7. Malacca Equity Nominees (Tempatan) Sdn Bhd • Exempt An for Phillip Capital Management Sdn Bhd (EPF)	16,301,397	2.568
8. Citigroup Nominees (Asing) Sdn Bhd • Exempt An for OCBC Securities Private Limited (Client A/C-NR)	15,972,334	2.516
9. Citigroup Nominees (Tempatan) Sdn Bhd • Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	15,061,166	2.373
10. CGS-CIMB Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Tan Kim Heung (MY1989)	12,586,700	1.983
11. Malacca Equity Nominees (Tempatan) Sdn Bhd • Exempt An for Philip Capital Management Sdn Bhd	12,008,865	1.892
12. CIMB Group Nominees (Tempatan) Sdn Bhd • CIMB Commerce Trustee Berhad – Kenanga Growth Fund	11,402,633	1.796
13. CGS-CIMB Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Koh Kin Lip (MY0502)	10,740,866	1.692
14. Alliancegroup Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Koh Kin Lip (7003423)	10,033,333	1.581
15. CGS-CIMB Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Num Siew Yoke (MY3576)	10,000,166	1.576
16. Maksima Amanjaya Development Sdn Bhd	10,000,000	1.576
17. RHB Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Maksima Timur Sdn Bhd	9,942,966	1.567
18. CIMB Group Nominees (Tempatan) Sdn Bhd • CIMB Commerce Trustee Berhad for Maybank Malaysia Smallcap Fund	9,730,000	1.533
19. Senandung Asas Sdn Bhd	8,599,500	1.355
20. CIMB Group Nominees (Tempatan) Sdn Bhd • CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)	7,320,833	1.153
21. Dato' Cheong Peak Sooi	6,802,198	1.072
22. CIMB Group Nominees (Tempatan) Sdn Bhd • CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)	6,781,066	1.068
23. Tokio Marine Life Insurance Malaysia Bhd • As Beneficial Owner (TMEF)	5,653,333	0.891
24. Tokio Marine Life Insurance Malaysia Bhd • As Beneficial Owner (PF)	5,451,333	0.859
25. Chan Kok San	5,000,000	0.788
26. RHB Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Lai Chee Chong	4,722,900	0.744

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 31 MARCH 2021

THIRTY LARGEST SHAREHOLDERS (Cont'd)

	No. of Shares	%
27. Citigroup Nominees (Tempatan) Sdn Bhd • Great Eastern Takaful Berhad (Mekar)	4,368,500	0.688
28. Malacca Equity Nominees (Tempatan) Sdn Bhd • Exempt An for Phillip Capital Management Sdn Bhd	3,690,013	0.581
29. Yayasan Guru Tun Hussein Onn	3,666,666	0.578
30. Yayasan Guru Tun Hussein Onn	3,666,666	0.578
	<u>401,955,267</u>	<u>63.327</u>

LIST OF PROPERTIES

AS AT 31 DECEMBER 2020



Registered owner	Location / postal address	Date of Acquisition/ Valuation	Description and existing use	Tenure	Age of Building	Land area (sq m)	Gross built up area (sq m)	Audited NBV as at 31 December 2020 (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 July 2019 (Date of Valuation)	Commercial land with building (Terminal Meru Raya) 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	9 years	33,740	19,398	275,412
The Combined Bus Services Sdn Bhd	Lot 407007 & 407008, PN 408550 & 408551, Mukim Kampar, Daerah Kampar, Perak Darul Ridzuan	31 July 2019 (Date of Valuation)	Commercial land with building (Kampar Putra Sentral) The buildings' CF was dated August 2020.	Leasehold for 99 years, expiring in 2115	1 year	15,033	116,425	283,014
The Combined Bus Services Sdn Bhd	Lot 107639, PN 395091, Bandar Ipoh (U), Daerah Kinta, Perak Darul Ridzuan / E-6-2A, SOHO Ipoh 2, Jalan Sultan Idris Shah, 30000 Ipoh, Perak	31 July 2019 (Date of Valuation)	Commercial land with building comprising: Three (3)-storey corporate office and six (6)-storey leased out The building's CF was dated March 2017.	Leasehold for 99 years, expiring in 2113	4 years	6,076	2,934	13,587

LIST OF PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2020

Registered owner	Location / postal address	Date of Acquisition/ Valuation	Description and existing use	Tenure	Age of Building	Land area (sq m)	Gross built up area (sq m)	Audited NBV as at 31 December 2020 (RM'000)
The Combined Bus Services Sdn Bhd	PT 18688 & 18689, Mukim Belanja, Daerah Kinta, Perak Darul Ridzuan	31 July 2019 (Date of Valuation)	Vacant commercial land. Intended to construct an integrated public transportation terminal	Leasehold for 99 years, expiring in 2115	-	67,327	-	10,705
The Combined Bus Services Sdn Bhd	PT 11387 Mukim Bidor, Daerah Batang Padang, Perak Darul Ridzuan	1 July 2020 (Date of Acquisition)	Vacant commercial land. Intended to construct an integrated public transportation terminal	Leasehold for 99 years, expiring in 2118	-	19,834	-	2,536
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	31 July 2019 (Date of Valuation)	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	6 years	4,092	926	5,360
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	31 July 2019 (Date of Valuation)	Vacant industrial land. Intended to be used as headquarters for bus operation (control room), workshop and parking spaces for buses	Leasehold for 60 years, expiring in 2053	-	21,690	-	866

LIST OF PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2020



Registered owner	Location / postal address	Date of Acquisition/ Valuation	Description and existing use	Tenure	Age of Building	Land area (sq m)	Gross built up area (sq m)	Audited NBV as at 31 December 2020 (RM'000)
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	31 July 2019 (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	-	493
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	31 July 2019 (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	-	367
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 July 2019 (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	11 years	4,064	908	6,347

LIST OF PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2020

Registered owner	Location / postal address	Date of Acquisition/ Valuation	Description and existing use	Tenure	Age of Building	Land area (sq m)	Gross built up area (sq m)	Audited NBV as at 31 December 2020 (RM'000)
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 July 2019 (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	20 years	8,124	1,368	3,411
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	31 July 2019 (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	12 years	2,244	652	2,983

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting ("**AGM**") of the Company will be held at Mersawa & Rengas Hall, Level 2, MU Hotel, No. 18, Jalan Chung On Siew, 30250 Ipoh, Perak Darul Ridzuan on Tuesday, 25 May 2021 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 2020 together with the Reports of the Directors and Auditors thereon. [Please refer to Note g]
2. To approve the payment of Directors' fees and benefits up to an amount of RM310,000 to be paid on a monthly basis from 26 May 2021 until the conclusion of the next AGM. Resolution 1
3. To re-elect Puan Azian Binti Kassim who retires by rotation in accordance with Clause 19.3 of the Company's Constitution and who being eligible offers herself for re-election. Resolution 2
4. To re-elect Dato' Haji Mohd Gazali Bin Jalal who retires in accordance with Clause 19.9 of the Company's Constitution. Resolution 3
5. To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to determine their remuneration. Resolution 4

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without modifications:

6. ORDINARY RESOLUTION

AUTHORITY TO ISSUE AND ALLOT SHARES

"**THAT**, pursuant to Sections 75 and 76 of the Companies Act 2016 ("**Act**"), and subject always to the Constitution of the Company and the approval of the relevant authorities, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next AGM and to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the additional shares to be issued."

Resolution 5

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"**THAT** subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") and the approval of all relevant and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company ("**Proposed Share Buy-Back**"), provided that:

Resolution 6

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company as at the point of purchase; and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the Company's audited retained profits at any point of time;

THAT upon completion of the purchase(s) of its own shares by the Company pursuant to the Proposed Share Buy-Back, the Directors be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (a) cancel all the shares so purchased; or
- (b) retain the shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Cont'd)

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements and any other relevant authority for the time being in force,

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next AGM, at which time the said authority shall lapse, unless by an ordinary resolution passed at a meeting of members, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a meeting of members,

whichever occur first;

AND THAT the Directors be and are hereby authorised to take all such steps as are necessary or expedient in the interest of the Company to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities."

- 8. 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
26 April 2021

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 two (2) authorised officers of his attorney duly authorised.
- c. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the Form of Proxy must be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for further information on electronic submission. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.
- 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. Pursuant to Paragraph 8.29A of the Listing Requirements, all resolutions set out in the Notice of Twelfth AGM will be put to vote on a poll.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)



NOTES: (Cont'd)

- f. Only members whose names appear in the Record of Depositors as at 18 May 2021 will be entitled to attend and vote at the meeting.
- g. **Audited Financial Statements for financial year ended 31 December 2020**
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.
- h. **Resolution 1**
Resolution 1, if passed, will allow the Company to pay the Directors' fees and benefits as set out below in a timely manner, on a monthly basis at the end of each month, for services rendered during the course of the period from 26 May 2021 until the conclusion of the next AGM.

	Director's fee per month (RM)	Director's fee per annum (RM)
Non-Executive Chairman	5,500	66,000
Each Non-Executive Director	4,500	54,000

The benefits payable to the Directors up to the amount of RM36,000 comprise meeting 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 or benefits to meet the shortfall.

- i. **Resolutions 2 to 3**
Dato' Wan Asmadi Bin Wan Ahmad who also retires by rotation in accordance with Clause 19.3 of the Company's Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the AGM.

The profiles of the Directors standing for re-election are disclosed under the Profile of Board of Directors on pages 6 to 9 of the Annual Report and the details of their interest in the securities of the Company are disclosed under Analysis of Shareholdings on page 144 of the Annual Report.

- j. **Resolution 4**
The Audit Committee and the Board having assessed and satisfied with the quality of audit and services, adequacy of resources, performance, competency and independence of the external auditors, Messrs Moore Stephens Associates PLT, which are in accordance with the Paragraph 15.21 of the Listing Requirements, had at their respective meetings on 23 February 2021 recommended the re-appointment of Messrs Moore Stephens Associates PLT.

Messrs Moore Stephens Associates PLT have indicated their willingness to continue their services for the ensuing year.

- k. **Resolution 5**
Ordinary Resolution 5, if passed, will give authority to the Directors of the Company to allot and issue shares of the Company up to and not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a meeting of members. The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisition(s).

This general mandate, unless revoked or varied at a meeting of members, will expire at the conclusion of the next AGM.

- l. **Resolution 6**
Ordinary Resolution 6, if passed, will allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company. Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 26 April 2021 for further details.

Administrative Guide for the Twelfth Annual General Meeting ("AGM")

- Venue** : Mersawa & Rengas Hall, Level 2, MU Hotel, No. 18, Jalan Chung On Siew, 30250 Ipoh, Perak Darul Ridzuan
- Date** : Tuesday, 25 May 2021
- Time** : 9.00 a.m.

In view of the evolving development of Covid-19 situation in Malaysia and following the issuance of Guidance and FAQs on the Conduct of General Meetings for Listed Issuers by the Securities Commission on 5 March 2021, the Company issues this Administrative Guide as below.

Shareholders are advised to visit the Company's website and Bursa Malaysia Securities Berhad's website from time to time for any changes or updated information on the Company's AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, the Securities Commission and/or other relevant authorities.

1. PRECAUTIONS AND PREVENTIVE MEASURES IN VIEW OF COVID-19

- i. For the conduct of the AGM, the Company wishes to advise the shareholders that the Company shall be taking precautionary measures in line with the Standard Operating Procedures ("**SOP**") issued by Majlis Keselamatan Negara ("**MKN**") dated 30 June 2020 and any revisions that may be made from time to time by MKN and/or the relevant authorities.
- ii. All attendees are advised to download the MySejahtera application in advance at their phone for registration of their attendance for the meeting.
- iii. All attendees will be required to wear face mask, sanitize their hands, undergo temperature check and make a health declaration prior to entering the meeting venue. The Company reserves the right to deny entry to anyone with a temperature of 37.5 degrees Celsius or higher and/or showing symptoms of respiratory illness such as coughing and sneezing.
- iv. The capacity of the meeting venue must be sufficient to allow seating arrangement with physical distancing of one metre.
- v. If you are unwell, you are strongly advised to appoint a proxy or the Chairman of the Meeting to attend and vote on your behalf at the AGM.

2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a shareholder whose name appears on the Record of Depositors as at **18 May 2021** shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

3. NO REFRESHMENT AND DOOR GIFTS

There will be no breakfast provided and no distribution of door gifts for shareholders/proxies who attend or participate in the AGM.

4. PRE-REGISTRATION TO ATTEND THE AGM

Shareholders are required to register ahead to attend the AGM in order to allow the Company to make the necessary arrangements in relation to the meeting i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants.

Please do read and follow the following procedures to pre-register your physical attendance at the AGM via the TIH Online website at <https://tiah.online>:

- Login in to TIH Online website with your user name (i.e. e-mail address) and password under the “**e-Services**”. If you have not registered as a user of TIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up.
- Select the corporate event: “**(REGISTRATION) PTRANS 12TH AGM**”.
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Select “**Register for Physical Attendance at Meeting Venue**”.
- Review your registration and proceed to register.
- System will send an e-mail to notify that your registration for Physical Attendance at Meeting Venue is received and will be verified.
- After verification of your registration against the General Meeting Record of Depositors, the system will send you an e-mail **after 23 May 2021** to approve or reject your registration to attend physically at the Meeting Venue.

5. REGISTRATION ON THE DAY OF THE AGM

- i. Registration will start at 8.00 a.m. on Tuesday, 25 May 2021 for the AGM.
- ii. Kindly produce your original MyKad/Passport (for foreigners) to the registration staff at the registration counter for verification. Please ensure to collect your MyKad/Passport thereafter.
- iii. Upon verification, you are required to sign on the Attendance list prepared by the registration staff.
- iv. After registration, a polling slip will be issued to the respective shareholders.
- v. No person will be allowed to register on behalf of another person, even with the original MyKad/Passport of that person.
- vi. Please vacate the registration area immediately after registration to prevent congestion. Attendees are also required to observe physical distancing rules.

6. APPOINTMENT OF PROXY

A shareholder who is unable to attend the AGM on Tuesday, 25 May 2021 may appoint proxy(ies) and indicate the voting instructions in the Form of Proxy. Please deposit the Form of Proxy in the following manner:

(a) Deposit Hardcopy of Form of Proxy

To the Company’s Share Registrar office, Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(b) Deposit of Form of Proxy Electronically

To Tricor’s TIH Online website at <https://tiah.online>. Please refer item 7 below.

(c) The last date and time for lodging the Form of Proxy is Sunday, 23 May 2021 at 9.00 a.m.

7. ELECTRONIC LODGEMENT OF FORM OF PROXY

The procedures to lodge your Form of Proxy electronically via Tricor's **TIIH Online** website are summarised below:

Procedure	Action
STEPS FOR INDIVIDUAL SHAREHOLDERS	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under "e-Services". Select "Sign Up" and followed by "Create Account by Individual Holder". You may refer to the tutorial guide posted on the homepage if you need assistance. Registration as a user will be approved by Tricor within one (1) working day and you will be notified of the approval via email. Proceed to activate the account with the temporary password given in the email and re-set own password. If you are already a user with TIIH Online, you are not required to register again.
Submission of Form of Proxy	<ul style="list-style-type: none"> After the publication of the notice of meeting by the Company, login to TIIH Online at https://tiih.online with your user ID (i.e. email address) and password. Select corporate event: "PTRANS 12TH AGM - SUBMISSION OF PROXY FORM". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy/proxies appointment. Print the Form of Proxy for your record.
FOR CORPORATE OR INSTITUTIONAL SHAREHOLDERS	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the Tricor's TIIH Online website at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects "Sign Up" and followed by "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified and the authorised or nominated representative will be notified by email within one (1) to two (2) working days. Proceed to activate the account with the temporary password given in the email and re-set own password. <p><i>(Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the steps above before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need any assistance on the user registration.)</i></p>
Submission of Form of Proxy	<ul style="list-style-type: none"> After the publication of the notice of meeting by the Company, login to TIIH Online at https://tiih.online with your user name (i.e. email address) and password. Select corporate event: "PTRANS 12TH AGM - SUBMISSION OF PROXY FORM". Read and agree to the Terms & Conditions and Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required information. Login to TIIH Online, select corporate event: "PTRANS 12TH AGM - SUBMISSION OF PROXY FORM". Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

8. ENQUIRIES

If you have any enquiries prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday).



PERAK TRANSIT BERHAD

Registration No.: 200801030547 (831878-V)
(Incorporated in Malaysia)

PeraKTransit

KEPUASAN ANDA, KEUTAMAAN KAMI
YOUR SATISFACTION, OUR PRIORITY

FORM OF PROXY

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

No. of shares held	CDS Account No. of Authorised Nominee

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 Twelfth Annual General Meeting of the Company to be held at Mersawa & Rengas Hall, Level 2, MU Hotel, No. 18, Jalan Chung On Siew, 30250 Ipoh, Perak Darul Ridzuan on Tuesday, 25 May 2021 at 9.00 a.m. or at any adjournment thereof. My/our proxy(ies) shall vote as follows:

Resolutions relating to:	For	Against
1. Approve payment of Directors' fees and benefits		
2. Re-elect Puan Azian Binti Kassim		
3. Re-elect Dato' Haji Mohd Gazali Bin Jalal		
4. Re-appoint Messrs Moore Stephens Associates PLT as Auditors and to authorise Directors to determine their remuneration		
5. Authorise Directors to Issue and Allot Shares		
6. Proposed Renewal of Share Buy-Back Authority		

(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 Twelfth 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 _____ 2021

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 two (2) authorised officers of his attorney duly authorised.
- The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the Form of Proxy must be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for further information on electronic submission. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.
- 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.
- Pursuant to Paragraph 8.29A of the Listing Requirements, all resolutions set out in the Notice of Twelfth AGM will be put to vote on a poll.
- Only members whose names appear in the Record of Depositors as at 18 May 2021 will be entitled to attend and vote at the meeting.

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STAMP

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Registration No.: 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Please fold across the line and close



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