



KONSORTIUM TRANSNASIONAL BERHAD

# K T B

## KONSORTIUM TRANSNASIONAL BERHAD

(Company No.: 617580-T)  
(Incorporated in Malaysia under the Companies Act, 1965)

OFFER FOR SALE OF 35,000,000 ORDINARY SHARES OF RM0.50 EACH COMPRISING:-

- 4,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 15,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES OF KONSORTIUM TRANSNASIONAL BERHAD AND ITS SUBSIDIARIES, PARK MAY BERHAD AND ITS SUBSIDIARIES AND KUMPULAN KENDERAAN MALAYSIA BERHAD; AND
- 16,000,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT,

AT AN OFFER PRICE OF RM0.50 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION IN CONJUNCTION WITH THE LISTING OF KONSORTIUM TRANSNASIONAL BERHAD ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE SEE "RISK FACTORS" AS SET OUT IN SECTION 3 HEREOF

THIS PROSPECTUS IS DATED 25 MAY 2007

# P R O S P E C T U S

**AmINVESTMENT BANK BERHAD**  
(formerly known as AmMerchant Bank Berhad)  
(Company No. 23742-V)

A member of



**AmInvestment Bank**  
**Group**

Adviser, Managing Underwriter, Underwriter and Placement Agent

*Nice*  
**Plusliner**  
**TRANSNASIONAL**

**Cityliner**

PROSPECTUS

### RESPONSIBILITY STATEMENT

THIS PROSPECTUS HAVE BEEN SEEN AND APPROVED BY OUR DIRECTORS, OUR PROMOTERS AND THE OFFEROR AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. OUR DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT FORECAST HAS BEEN PREPARED BASED ON ASSUMPTIONS MADE.

AmINVESTMENT BANK BERHAD (*FORMERLY KNOWN AS AmMERCHANT BANK BERHAD*) (A MEMBER OF AmINVESTMENT BANK GROUP) ("**AmINVESTMENT BANK**"), BEING THE ADVISER, MANAGING UNDERWRITER, UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC OFFERING AND IS SATISFIED THAT THE PROFIT FORECAST (FOR WHICH OUR DIRECTORS ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY OUR DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY OUR REPORTING ACCOUNTANTS.

### STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION ("**SC**") HAS APPROVED THE PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC OFFERING.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE HEREIN BY US AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") IS NOT LIABLE FOR ANY NON-DISCLOSURE HEREIN BY US AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE PUBLIC OFFERING, OUR COMPANY OR OUR SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 57, 58 AND 153 OF THE SECURITIES COMMISSION ACT 1993.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT [www.bursamalaysia.com](http://www.bursamalaysia.com).

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. IF YOU ARE IN DOUBT ABOUT THE VALIDITY OR INTEGRITY OF THE ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, AmINVESTMENT BANK OR MALAYSIAN ISSUING HOUSE SDN BHD, A PAPER PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS, WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC, SHALL PREVAIL.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA ("**FOREIGN JURISDICTION**"), AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY LEGISLATION OF OR WITH OR BY ANY REGULATORY AUTHORITIES OR OTHER RELEVANT BODIES OF ANY FOREIGN JURISDICTION. EACH RECIPIENT OF THIS PROSPECTUS, IF THEY ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTION OTHER THAN MALAYSIA, IS REQUIRED TO SEEK APPROPRIATE PROFESSIONAL ADVICE REGARDING, AND TO OBSERVE, ANY RESTRICTIVE OR PROHIBITION IN THE DISTRIBUTION OR POSSESSION OF THIS PROSPECTUS IN THE RELEVANT JURISDICTION.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF THE PUBLIC OFFERING, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH. IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE PUBLIC OFFERING WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE PUBLIC OFFERING WOULD BE IN COMPLIANCE WITH THE TERMS OF THE PUBLIC OFFERING AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE PUBLIC OFFERING IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION, TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

NEITHER OUR COMPANY, OUR PROMOTERS, THE OFFEROR, AmINVESTMENT BANK NOR ANY OF OUR / THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND / OR OTHER ADVISERS SHALL ACCEPT ANY RESPONSIBILITY OR LIABILITY TO ANY PERSON IN RELATION TO THE DISTRIBUTION OR POSSESSION OF THIS PROSPECTUS IN OR FROM ANY SUCH FOREIGN JURISDICTION. THEY WILL NOT BE LIABLE IN THE EVENT THAT SUCH APPLICATION SHALL BECOME ILLEGAL, UNENFORCEABLE, VOIDABLE OR VOID IN ANY COUNTRY OR JURISDICTION.

**INDICATIVE TIMETABLE**

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company on the Main Board of the Bursa Securities is set out below :-

<b><u>Date</u></b>	<b><u>Event</u></b>
25 May 2007	Opening of the Public Offering
<b><u>Tentative Dates</u></b>	
5 June 2007	Closing of the Public Offering
7 June 2007	Balloting of Applications
8 June 2007	Allotment to successful applicants
15 June 2007	Listing Date

**THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE THE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 5 JUNE 2007 OR FOR SUCH FURTHER PERIOD OR PERIODS AS OUR DIRECTORS AND THE OFFEROR TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE.**

**WHERE THE CLOSING DATE IS EXTENDED FROM THE ORIGINAL CLOSING DATE, THE NOTICE OF SUCH EXTENSION(S) WILL BE ANNOUNCED IN A WIDELY CIRCULATED DAILY BAHASA MALAYSIA AND ENGLISH NEWSPAPERS.**

**DEFINITIONS**

In this Prospectus and unless where the context requires otherwise, the following words and abbreviations shall have the following meanings (with singulars or plurals to have correlative meanings) :-

<b>Act</b>	The Companies Act, 1965 as amended from time to time
<b>Acquisition Of Bus Companies</b>	Collectively, the Acquisition Of Six (6) Companies, the Voluntary Offer Of SKMK and the Voluntary Offer Of Keramat
<b>Acquisition Of Six (6) Companies</b>	The acquisition of six (6) bus companies, namely Langkasuka, Klang Banting, Labu Sendayan, Starise, Rembau Tampin and Transnasional by our Company for a total purchase consideration of RM85,055,614.50 which was satisfied by the issuance of 170,111,229 new Shares at an issue price of RM0.50 per Share pursuant to the KKMB SPA and the Perak Roadways SPA which was completed on 6 September 2005
<b>ADA</b>	Authorised Depository Agent
<b>ADA Code</b>	ADA (Broker) Code
<b>Affin Discount</b>	Affin Discount Berhad (112325-D) whose assets and liabilities have since been assumed by Affin Investment on 1 July 2006
<b>Affin Investment</b>	Affin Investment Bank Berhad (formerly known as Affin Merchant Bank Berhad) (9999-V)
<b>AmInvestment Bank</b>	AmInvestment Bank Berhad ( <i>formerly known as AmMerchant Bank Berhad</i> ) (23742-V) (a member of AmInvestment Bank Group)
<b>AmTrustee or Trustee</b>	AmTrustee Berhad (163032-V), being the Trustee for the ICSSL
<b>Application(s)</b>	Application(s) for the Public Offering
<b>Application Form(s)</b>	The printed application form(s) for the application for the Public Offering
<b>ATM</b>	Automated Teller Machine
<b>BNM</b>	Bank Negara Malaysia
<b>Board or Directors</b>	Our Board of Directors
<b>Bursa Depository</b>	Bursa Malaysia Depository Sdn Bhd (165570-W)
<b>Bursa Securities</b>	Bursa Malaysia Securities Berhad (635998-W)
<b>Bus Companies</b>	The eight (8) bus companies which were acquired by our Company pursuant to the Acquisition Of Bus Companies, namely Langkasuka, Klang Banting, Labu Sendayan, Starise, Rembau Tampin, Transnasional, SKMK and Keramat
<b>Business Day</b>	A day (excluding Saturday and Sunday) on which banks are open for banking business in Kuala Lumpur
<b>Call Option</b>	The call option granted to both Dato' Nadzmi and NHSB by Affin Discount pursuant to the Put & Call Option Agreement
<b>CCM</b>	The meeting of shareholders convened by order of the Court
<b>CCOM</b>	Companies Commission of Malaysia
<b>CDS</b>	Central Depository System

**DEFINITIONS (CONT'D)**

<b>Central Depositories Act</b>	Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof from time to time
<b>Central Depository Rules</b>	The Rules of the Bursa Depository
<b>CEO</b>	Chief Executive Officer
<b>CF</b>	Certificate of fitness for occupation
<b>Cityliner</b>	Cityliner Sdn Bhd (313726-P), a wholly-owned subsidiary of Tulus Hebat
<b>Code</b>	The Malaysian Code on Take-Overs and Mergers, 1998 and includes any amendments, supplement and further notes thereto
<b>Court</b>	The High Court of Malaya
<b>CP</b>	Commercial Papers
<b>CP/MTN</b>	The RM120.0 million nominal amount of CP/MTN issued by Park May in 2002 pursuant to the trust deed dated 23 January 2002 between Park May, MTB and Affin Discount as lead arranger / manager, facility agent, authorised depository, issuing agent and paying agent, and as amended by a supplemental trust deed dated 25 January 2007
<b>CPW</b>	Central Province Wellesley Transport Company Sdn Bhd (1534-A), a 95%-owned subsidiary of Nikra Sdn Bhd
<b>CVLB</b>	Commercial Vehicles Licensing Board
<b>CVLB Act</b>	CVLB Act, 1987
<b>Dato' Nadzmi</b>	Dato' Mohd Nadzmi bin Mohd Salleh
<b>Definitive Agreement</b>	The agreement dated 11 March 2004 entered into between Park May, KKMB and our Company setting out the details of the Restructuring Scheme of Park May and the undertakings and obligations of the parties thereto for the purposes of, inter-alia, giving effect to and implementing the Restructuring Scheme of Park May, and as supplemented by a Supplemental Definitive Agreement dated 29 December 2004 and supplemental letters dated 30 June 2005 and 25 July 2005
<b>DOE</b>	Department of Environment
<b>DRA</b>	The debt restructuring agreement dated 20 April 2005 entered into between Park May, our Company, MTB and Affin Discount for the purposes of, inter-alia, giving effect to and implementing the Proposed Debt Restructuring, and as subsequently supplemented by way of exchange of letters between the parties
<b>EBITDA</b>	Earnings before interest, taxation, depreciation and amortisation
<b>EGM</b>	Extraordinary general meeting
<b>Electronic Share Application(s)</b>	Application(s) for the Public Offering through a Participating Financial Institution's ATM
<b>EPS</b>	Earnings per Share
<b>Fairway Spectrum</b>	Fairway Spectrum Sdn Bhd (445054-K)

**DEFINITIONS (CONT'D)**

<b>FIC</b>	Foreign Investment Committee
<b>GDP</b>	Gross Domestic Product
<b>GO</b>	General Offer
<b>GO Waiver</b>	Waiver to KKMB and Parties Acting In Concert from the obligation to extend an unconditional mandatory GO for all the remaining Shares not already owned by them in our Company after the Acquisition Of Bus Companies and the Proposed Share Exchange
<b>GPS</b>	Global Positioning System
<b>H &amp; H Brothers</b>	H & H Brothers Sdn Bhd (473985-K)
<b>High Court</b>	High Court of Malaya
<b>Ibroni</b>	Ibroni Sdn Bhd (229424-M)
<b>ICSLs</b>	The 3-year 4% Irredeemable Convertible Secured Loan Stocks to be issued by our Company to Affin Investment pursuant to the Proposed Debt Restructuring
<b>Innovative Factor</b>	Innovative Factor Sdn Bhd (409324-P)
<b>Jelevu</b>	Jelevu Holdings Sdn Bhd (34730-A), a 83.2%-owned subsidiary of Park May
<b>JV</b>	Joint Venture
<b>Keramat</b>	Tanjong Keramat Temerloh Utara Omnibus Berhad (3792-X), our wholly-owned subsidiary
<b>KKMB</b>	Kumpulan Kendaraan Malaysia Berhad (17729-V)
<b>KKMB SPA</b>	The share sale agreement dated 29 December 2004 between our Company and KKMB for the acquisition of the entire legal and beneficial interest of KKMB in the following companies for a total purchase consideration of RM84,735,614.50 to be satisfied by the issuance of 169,471,229 new Shares in our Company at an issue price of RM0.50 per Share :-

	<b>Name of company</b>	<b>No. of ordinary shares acquired</b>	<b>Purchase consideration (RM)</b>
(a)	Langkasuka	18,000	5,166,119.00
(b)	Klang Banting	7,600,250	18,358,649.00
(c)	Labu Sendayan	381,000	12,826,551.00
(d)	Starise	60,002	4,994,910.00
(e)	Rembau Tampin	605,002	6,278,977.00
(f)	Transnasional	8,920,002	37,110,408.50
	<b>TOTAL</b>		<b>84,735,614.50</b>

<b>KM</b>	Kilometres
<b>Klang Banting</b>	Kendaraan Klang Banting Berhad (6415-H), our wholly-owned subsidiary
<b>KNKL</b>	The Kuantan Kuala Lumpur Express Omnibus Company Sdn Bhd (2661-W), a wholly-owned subsidiary of Ulung Perkasa Sdn Bhd which in turn is a wholly-owned subsidiary of Park May

**DEFINITIONS (CONT'D)**

<b>KTB or our Company</b>	Konsortium Transnasional Berhad (617580-T)
<b>KTB Group or our Group</b>	Collectively, KTB, the Bus Companies, the Park May Group which will be acquired pursuant to the Proposed Share Exchange and the Proposed Shares Cancellation and PT Nadi which is expected to be acquired prior to the Listing Date
<b>KTB Shares</b>	Ordinary shares of RM0.50 each in our Company
<b>Labu Sendayan</b>	Kenderaan Labu Sendayan Sdn Bhd (17730-K), our wholly-owned subsidiary
<b>Langkasuka</b>	Kenderaan Langkasuka Sdn Bhd (5683-M), our wholly-owned subsidiary
<b>Len Chee</b>	Len Chee Omnibus Company Sdn Bhd (923-H), a 85.4%-owned subsidiary of Tulus Hebat which in turn is a wholly-owned subsidiary of Park May
<b>Leng Huat</b>	Leng Huat Omnibus Company Sdn Bhd (894-K), a 96.8%-owned subsidiary of Ulung Perkasa Sdn Bhd which in turn is a wholly-owned subsidiary of Park May
<b>Listing Date</b>	The date on which our Company will be admitted to the Official List of Bursa Securities, in place of Park May
<b>Listing Requirements</b>	The listing requirements of Bursa Securities
<b>Malaysian Public</b>	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
<b>Market Day</b>	Any day between Monday and Friday, both days inclusive, which is not a public holiday and on which the Bursa Securities is open for the trading of securities
<b>MI</b>	Minority interest
<b>MIH or Issuing House</b>	Malaysian Issuing House Sdn Bhd (258345-X)
<b>MITI</b>	Ministry of International Trade and Industry
<b>Moratorium Shares</b>	A total of 85,055,615 Shares placed under moratorium by KKMB for a period of one (1) year from the Listing Date
<b>MTB</b>	Malaysian Trustees Berhad (21666-V)
<b>MTN</b>	Medium Term Notes
<b>NBV</b>	Net book value
<b>NCSB</b>	Nadi Corporation Sdn Bhd (442345-X), the holding company of NHSB
<b>NHSB</b>	Nadicorp Holdings Sdn Bhd (137366-V), the holding company of KKMB
<b>NTA</b>	Net tangible assets
<b>NTL</b>	Net tangible liabilities
<b>Offeror</b>	KKMB
<b>Offer For Sale</b>	Offer for sale by KKMB of 19,000,000 Shares in the capital of our Company at the Public Offering Price payable in full upon application, subject to the terms and conditions of this Prospectus



**DEFINITIONS (CONT'D)**

<b>Offer Shares</b>	The 19,000,000 Shares in the capital of our Company which are the subject of the Offer For Sale
<b>Official List</b>	The list specifying all securities which have been admitted for listing on Bursa Securities and not removed
<b>OMV</b>	Open Market Value
<b>Online System</b>	The Online Operations and Management System that is used by certain express bus services of our Group
<b>Park May</b>	Park May Berhad (13294-A)
<b>Park May Group</b>	Park May and its subsidiaries
<b>Parties Acting In Concert</b>	Parties deemed acting in concert with KKMB, namely NHSB, NCSB, Trisilco Equity, H & H Brothers, Innovative Factor, Solidview Equity, Fairway Spectrum, Dato' Nadzmi, Tan Swee Hock, Datin Nik Yasmin Dianara binti M.F. Kamil and Tan Sai Eng
<b>PAT</b>	Profit after taxation
<b>Participating Financial Institution(s)</b>	Participating financial institution(s) for the Electronic Share Application as listed in Section 14.6(ii)(o) of this Prospectus
<b>PBT</b>	Profit before taxation
<b>PE Multiple</b>	Price-earning multiple
<b>Perak Roadways</b>	Perak Roadways Berhad (2539-M)
<b>Perak Roadways SPA</b>	The share sale agreement dated 11 March 2004 between our Company and Perak Roadways for the acquisition from Perak Roadways of its entire equity interest in Transnasional comprising 80,000 ordinary shares of RM1.00 each, representing 0.9% of the issued and paid-up share capital of Transnasional, for a purchase consideration of RM320,000 to be satisfied by the issuance of 640,000 new Shares in our Company at an issue price of RM0.50 per Share
<b>Placement</b>	Placement by KKMB of 16,000,000 Shares in the capital of our Company to investors to be identified at the Public Offering Price payable in full upon application, subject to the terms and conditions of this Prospectus
<b>Placement Shares</b>	The 16,000,000 Shares in the capital of our Company which are the subject of the Placement
<b>PLC</b>	Public listed company
<b>Plusliner</b>	Plusliner Sdn Bhd (154888-X)
<b>PN4</b>	Practice Note No. 4/2001 of the Listing Requirements
<b>Proposed Debt Restructuring</b>	The proposed debt restructuring of the entire RM63.0 million CP of Park May
<b>Proposed Shares Cancellation</b>	The proposed cancellation of all the issued and paid-up share capital of Park May comprising 74,996,022 existing ordinary shares of RM1.00 each pursuant to Section 64 of the Act and the credit arising therefrom to be applied in paying up in full at par 74,996,022 new ordinary shares of RM1.00 each in Park May to be allotted and issued to our Company, to be completed prior to the Listing Date

**DEFINITIONS (CONT'D)**

<b>Proposed Share Exchange</b>	The proposed exchange of all the 74,996,022 ordinary shares of RM1.00 each in Park May with 49,997,348 new Shares in our Company on the basis of two (2) new Shares in our Company for every three (3) existing ordinary shares of RM1.00 each held in Park May, to be completed prior to the Listing Date
<b>Proposed Transfer Of Listing Status</b>	Admission of our Company to the Official List with the listing of the entire enlarged issued and paid-up share capital of our Company on the Main Board of Bursa Securities and delisting of Park May
<b>Promoters</b>	Collectively, KKMB and Dato' Nadzmi
<b>PSP</b>	Pengangkutan Sri (Perak) Berhad (1955-P), a 90.5%-owned subsidiary of Plusliner which in turn is a wholly-owned subsidiary of Park May
<b>PT Nadi</b>	PT Indonadi
<b>Public Offering</b>	Collectively, the Offer For Sale and the Placement
<b>Public Offering Price</b>	RM0.50 per Share
<b>Public Offering Shares</b>	Collectively, the Offer Shares and the Placement Shares
<b>Put &amp; Call Option Agreement</b>	The put & call option agreement dated 20 April 2005 entered into between Affin Discount, Dato' Nadzmi and NHSB setting out the terms of the Put Option and the Call Option
<b>Put Option</b>	The put option granted to Affin Discount by Dato' Nadzmi and NHSB jointly pursuant to the Put & Call Option Agreement
<b>Rembau Tampin</b>	Syarikat Rembau Tampin Sdn Bhd (27504-A)
<b>Restructuring Scheme of Park May</b>	Collectively, the Acquisition Of Bus Companies, the Proposed Share Exchange, the Proposed Shares Cancellation, the Proposed Debt Restructuring, the GO Waiver, the Public Offering and the Proposed Transfer Of Listing Status
<b>RM and sen</b>	Ringgit Malaysia and sen respectively
<b>ROC</b>	Registrar of Companies
<b>SC</b>	Securities Commission
<b>SCA</b>	Securities Commission Act, 1993 as amended from time to time
<b>SC Guidelines</b>	SC's Policies and Guidelines on Issue/Offer of Securities
<b>Share(s)</b>	Ordinary share(s) of RM0.50 each in our Company
<b>Shareholders' Scheme</b>	Scheme of arrangement under Section 176 of the Act between Park May and its shareholders for the Proposed Share Exchange
<b>SKMK</b>	Syarikat Kenderaan Melayu Kelantan Berhad (1490-H), our wholly-owned subsidiary
<b>SKMK Group</b>	SKMK and its subsidiaries
<b>SLE</b>	Sam Lian Enterprise Sdn Bhd (48557-U), a 59%-owned subsidiary of Min Sen Holdings Sdn Bhd which in turn is a wholly-owned subsidiary of Park May
<b>Solidview Equity</b>	Solidview Equity Sdn Bhd (443427-H)

**DEFINITIONS (CONT'D)**

<b>SPNB</b>	Syarikat Prasarana Negara Berhad (467220-U), a wholly-owned subsidiary of the Ministry of Finance (Incorporated)
<b>Starise</b>	Starise Sdn Bhd (135091-M), our wholly-owned subsidiary
<b>Supplemental Definitive Agreement</b>	The supplemental agreement to the Definitive Agreement dated 29 December 2004 entered into between Park May, KKMB and our Company for the purpose of varying some of the terms and conditions of the Definitive Agreement
<b>Tulus Hebat</b>	Tulus Hebat Sdn Bhd (288333-X), a wholly-owned subsidiary of Park May
<b>Transnasional</b>	Transnasional Express Sdn Bhd (327442-K), our wholly-owned subsidiary
<b>Trisilco Equity</b>	Trisilco Equity Sdn Bhd (393661-M)
<b>Trust Deed</b>	The trust deed to be executed between our Company and the Trustee constituting the ICSSL
<b>Trustee</b>	AmTrustee Berhad (163032-V)
<b>UEM</b>	United Engineers (Malaysia) Berhad (6551-K)
<b>Underwriting Agreement</b>	The underwriting agreement dated 23 April 2007 between our Company and AmInvestment Bank as the sole underwriter for the underwriting of 14,000,000 Shares out of the total Offer Shares
<b>Underwriter</b>	AmInvestment Bank
<b>US</b>	United States of America
<b>USD</b>	US Dollars
<b>UTC</b>	The United Transport Co. Sdn Bhd (1320-K)
<b>Voluntary Offer Of Keramat</b>	The voluntary offer made by our Company to acquire all the issued and paid-up share capital of Keramat comprising 1,054,653 ordinary shares of RM1.00 each to be satisfied by the issuance of new Shares in our Company at an issue price of RM0.50 per Share on the basis of seven (7) new Shares in our Company for every one (1) existing ordinary share of RM1.00 each held in Keramat which was completed on 6 September 2005
<b>Voluntary Offer Of SKMK</b>	The voluntary offer made by our Company to acquire all the issued and paid-up share capital of SKMK comprising 7,250,620 ordinary shares of RM1.00 each to be satisfied by the issuance of new Shares in our Company at an issue price of RM0.50 per Share on the basis of ten (10) new Shares in our Company for every one (1) existing ordinary share of RM1.00 each held in SKMK which was completed on 6 September 2005

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>Profession</b>	<b>Nationality</b>
Dato' Mohd Nadzmi bin Mohd Salleh	Chairman and Managing Director	No. 6, Jalan Eksekutif U 1/6 Glenmarie Court, Section U1 40150 Shah Alam Selangor Darul Ehsan	Director	Malaysian
Datuk Sulaiman bin Daud	Independent Non-Executive Director	No.3, Jalan SS3/78 Taman Universiti 47300 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Tengku Mohd Hasmadi bin Tengku Hashim	Executive Director	No. 19, Jalan 19/146 Bandar Tasek Selatan 57000 Kuala Lumpur	Director	Malaysian
Zainal Abidin Jamal	Independent Non-Executive Director	No. 4, Jalan 2 Taman Sri Ukay 68000 Ampang Selangor Darul Ehsan	Advocate and Solicitor	Malaysian
Muhammad Adib Ariffin	Independent Non-Executive Director	No. 38, Jalan Bot Laju 13/24 Seksyen 13 40100 Shah Alam Selangor Darul Ehsan	Director	Malaysian

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Datuk Sulaiman bin Daud	Chairman	Independent Non-Executive Director
Zainal Abidin Jamal	Member	Independent Non-Executive Director
Muhammad Adib Ariffin	Member	Independent Non-Executive Director

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**CORPORATE DIRECTORY (CONT'D)**

- COMPANY SECRETARY** : Tiffa Hairi (LS0008017)  
 No. 38, Jalan Chow Kit  
 50350 Kuala Lumpur  
 Tel. No.: 03 – 4047 7878
- Rahanawati Ali Dawam (BC/R/504)  
 Messrs. Abu Talib Shahrom & Zahari  
 39 Jalan Desa  
 Taman Desa  
 58100 Kuala Lumpur  
 Tel. No.: 03 – 7984 4833
- REGISTERED OFFICE** : No. 38, Jalan Chow Kit  
 50350 Kuala Lumpur  
 Tel. No.: 03 - 4047 7878
- HEAD OFFICE** : No. 38, Jalan Chow Kit  
 50350 Kuala Lumpur  
 Tel. No. : 03 – 4047 7878
- REGISTRAR** : Symphony Share Registrars Sdn Bhd (378993-D)  
 Level 26, Menara Multi-Purpose  
 Capital Square  
 No. 8, Jalan Munshi Abdullah  
 50100 Kuala Lumpur  
 Tel. No. : 03 – 2721 2222
- ADVISER FOR THE  
 RESTRUCTURING SCHEME OF  
 PARK MAY** : AmInvestment Bank Berhad (23742-V)  
*(formerly known as AmMerchant Bank Berhad)*  
 (a member of AmInvestment Bank Group)  
 22nd Floor, Bangunan AmBank Group  
 55, Jalan Raja Chulan  
 50200 Kuala Lumpur  
 Tel. No.: 03 – 2078 2633/44/55
- AUDITORS AND REPORTING  
 ACCOUNTANTS** : Ernst & Young (AF: 0039)  
 Chartered Accountants  
 Level 23A, Menara Milenium  
 Jalan Damania  
 Pusat Bandar Damansara  
 50490 Kuala Lumpur  
 Tel. No. : 03 – 7495 8000
- SOLICITORS FOR THE  
 RESTRUCTURING SCHEME OF  
 PARK MAY** : Messrs. Zul Rafique & Partners  
 Advocates & Solicitors  
 Suite 17.01, 17<sup>th</sup> Floor  
 Menara Pan Global  
 8 Lorong P. Ramlee  
 50250 Kuala Lumpur  
 Tel. No. : 03 – 2078 8228
- PRINCIPAL BANKERS** : Malayan Banking Berhad (3813-K)  
 404 -410, Jalan Tunku Abdul Rahman  
 50100 Kuala Lumpur  
 Tel. No.: 03-2698 4298

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**CORPORATE DIRECTORY (CONT'D)**

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- Bank Kerjasama Rakyat Malaysia Berhad  
Bangunan Bank Rakyat  
Jalan Tangsi  
50732 Kuala Lumpur  
Tel. No. : 03-2612 9685
- Affin Investment Bank Berhad (9999-V)  
27th Floor, Menara Boustead  
Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No. : 03-2146 7406
- MANAGING UNDERWRITER,  
UNDERWRITER AND  
PLACEMENT AGENT** : AmInvestment Bank Berhad (23742-V)  
*(formerly known as AmMerchant Bank Berhad)*  
(a member of AmInvestment Bank Group)  
22nd Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No.: 03 – 2078 2633/44/55
- INDEPENDENT MARKET  
RESEARCHER** : Frost & Sullivan (M) Sdn Bhd (522293-W)  
Suite E-08-15, Block E  
Plaza Mont' Kiara  
2 Jalan Kiara  
Mont' Kiara  
50480 Kuala Lumpur  
Tel. No.: 03 – 6204 5800
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)  
27<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Tel. No.: 03 – 2693 2075
- LISTING SOUGHT** : Main Board of the Bursa Securities



**1. INFORMATION SUMMARY**

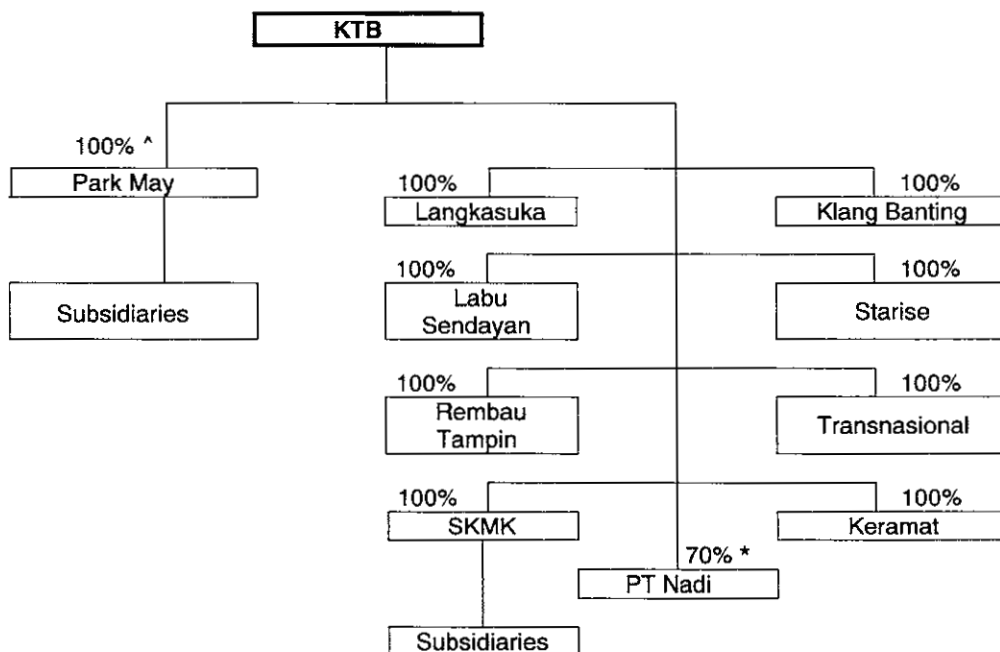
**THE INFORMATION SET OUT IN THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT OUR GROUP AND INVESTORS SHOULD READ THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST. THE SUMMARY INFORMATION SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS**

**1.1 History And Business**

Our Company was incorporated in Malaysia under the Act on 5 June 2003 as a public company. Our Company was incorporated to facilitate the Restructuring Scheme of Park May such that our Company will become the new holding company of the Park May Group and the Bus Companies, collectively, and will be admitted to the Official List of Bursa Securities, in place of Park May which will be delisted.

Our Company is principally involved in investment holding. The principal activity of our Group is the provision of public bus transportation comprising stage and express bus operations within Peninsular Malaysia.

Our Group structure is as follows :-



<sup>^</sup> upon completion of the Proposed Share Exchange and the Proposed Shares Cancellation which will take place prior to the Listing Date

<sup>\*</sup> the proposed acquisition of 70% equity interest in PT Nadi is expected to be completed prior to the Listing Date. The said proposed acquisition does not form part of the Restructuring Scheme of Park May

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**1. INFORMATION SUMMARY (CONT'D)**

The table below sets out the principal activities of our subsidiaries :-

<b>Name of company</b>	<b>Principal activity</b>
Langkasuka	Operates both express and stage bus services in Kedah
Klang Banting	Operates stage bus services in Selangor and Wilayah Persekutuan
Labu Sendayan	Operates both express and stage bus services in Negeri Sembilan and Melaka
Starise	Operates stage bus services in Negeri Sembilan
Rembau Tampin	Operates both express and stage bus services in Negeri Sembilan and Johor
Transnasional	Operates express bus services, covering a comprehensive coverage in Peninsular Malaysia, including all major cities and towns in the respective states, and Singapore
SKMK	Operates both express and stage bus services in Kelantan
Keramat	Operates both express and stage bus services in Pahang
Park May *	Management and investment holding. Its subsidiaries are involved in the operation of both express and stage bus services
PT Nadi ^	Importing and distribution of bus chassis, spare parts, four-wheel vehicles and machineries in Indonesia

\* *Park May will become our wholly-owned subsidiary upon completion of the Proposed Share Exchange and the Proposed Shares Cancellation prior to the Listing Date*

^ *PT Nadi will become our 70%-owned subsidiary upon completion of the proposed acquisition by our Company of 70% equity interest in PT Nadi which is expected to be completed prior to the Listing Date. The said proposed acquisition does not form part of the Restructuring Scheme of Park May*

Our express bus operations provide a comprehensive coverage within Peninsular Malaysia and command the largest market share in Peninsular Malaysia based on estimated revenues for 2006, with Transnasional being the leader in the express bus industry of Peninsular Malaysia (Source: *Independent Market Report prepared by Frost & Sullivan dated 18 April 2007*).

Details of our services together with our principal service areas are as follows :-

## 1. INFORMATION SUMMARY (CONT'D)

Name of company	Operation Base	Type of Service	Fleet Name	Principal Service Areas
Langkasuka	Kedah	Express	Transnasional	Alor Setar, Buitenworth, Sungai Petani and Kangar
		Stage	Transnasional / Cityliner	Surroundings of Alor Setar, Sungai Petani and Kota Kuala Muda
Klang Banting	Klang, Selangor	Stage	Transnasional / Cityliner	Surroundings of Port Klang, Klang, Shah Alam, and to/from Kuala Lumpur from/to Klang
Labu Sendayan	Negeri Sembilan and Melaka	Express	Transnasional	From/to Melaka to/from Kuala Lumpur, Shah Alam, Klang, Kuala Terengganu, Alor Gajah, Masjid Tanah, Johor Bahru, Pasir Mas and Rantau Panjang
		Stage	Transnasional	From/to Seremban to/from Melaka, Shah Alam, Klang and Kota Bharu Salak, L.B. Johnson, Gadong, Sendayan and Jimah
Starise	Negeri Sembilan	Stage	Transnasional / Cityliner	Seremban, Palong, Gemas, Pasir Besar and Bahau
Rembau Tampin	Negeri Sembilan and Johor	Express	Transnasional	From/to Johor Bahru to/from Kuala Pilah, Bahau, Seremban, Melaka, Pasir Gudang, Kuala Terengganu and Gemencheh
				From/to Segamat to/from Kuala Lumpur, Tampin, Seremban and Bukit Kayu Hitam
				From/to Melaka to/from Kuala Terengganu, Seremban and Kangar
		Stage	Transnasional	From/to Tampin to/from Kuala Lumpur Seremban and Masjid Tanah
Transnasional	Peninsular Malaysia	Express (Executive Class)	Transnasional Executive Coach	From/to Kuala Lumpur to/from Singapore
		Express (Standard)	Transnasional	From/to major cities in Peninsular Malaysia, and Kuala Lumpur to/from Singapore

## 1. INFORMATION SUMMARY (CONT'D)

Name of company	Operation Base	Type of Service	Fleet Name	Principal Service Areas
SKMK	Kelantan	Express	Transnasional	From/to Kota Bharu to/from Kuala Lumpur, Johor Bahru, Batu Pahat / Kluang, Shah Alam, Klang, Kuantan, Kuala Terengganu, Gua Musang, Melaka and Singapore From/to Johor Bahru to/from Bachok, Rantau Panjang, Pasir Mas and P. Kubur From/to Kuala Lumpur to/from Bachok and P. Kubur
		Stage	Transnasional / Cityliner	Major towns and cities in Kelantan
Keramat	Pahang	Express	Transnasional	From/to Temerloh to/from Kuantan, Jerantut, Melaka From/to Kuala Lipis to/from Kuantan
		Stage	Transnasional	Surroundings of Temerloh, Kuala Lipis, Jerantut and L. Semantan
Park May Group	West coast of Peninsular Malaysia and Pahang Selangor, Negeri Sembilan, Pulau Pinang and Kuala Lumpur	Express	Plusliner, NICE, NiCE2 and NiCE <sup>++</sup>	Major cities in the west coast of Peninsular Malaysia and Singapore
		Stage	Cityliner	Major cities in Selangor, Negeri Sembilan, Pulau Pinang, Seberang Prai and Kuala Lumpur

In addition, Rembau Tampin is currently expanding its stage bus operation in Negeri Sembilan and plans to add another 110 stage buses serving the routes between Nilai, Port Dickson, Seremban, Seremban 2, Senawang and Paroi. Upon completion of the said expansion plan, it is envisaged that Rembau Tampin will become the largest stage bus operator in Negeri Sembilan.

## 1. INFORMATION SUMMARY (CONT'D)

PT Nadi has secured a contract to supply twenty-eight (28) buses to a bus operator in Indonesia who is providing bus services on the TransJakarta Busway project in Jakarta, Indonesia, namely corridor 2 and corridor 3 of the said project. The TransJakarta Busway project is a mass transportation system that was introduced in Jakarta in January 2004 and is expected to be completed by 2020 with up to 15 corridors to be built.

Further details on the history and business of our Group are set out in Section 4 of this Prospectus.

### 1.2 Promoters, Substantial Shareholders And Directors

Details of our promoters, substantial shareholders and Directors are as follows :-

Name	Place of incorporation/ Nationality	Designation in KTB
<b><u>Promoters</u></b>		
KKMB	Malaysia	N/A
Dato' Nadzmi	Malaysian	Chairman / Managing Director
<b><u>Substantial Shareholders</u></b>		
KKMB	Malaysia	N/A
NHSB <sup>(i)</sup>	Malaysia	N/A
NCSB <sup>(ii)</sup>	Malaysia	N/A
Trisilco Equity <sup>(iii)</sup>	Malaysia	N/A
Ibroni <sup>(iii)</sup>	Malaysia	N/A
Dato' Nadzmi <sup>(iv)</sup>	Malaysian	Chairman / Managing Director
Datuk Paduka Ibrahim Aji <sup>(v)</sup>	Malaysian	N/A
Datin Rohaya Idrus <sup>(vi)</sup>	Malaysian	N/A
<b><u>Directors</u></b>		
Dato' Nadzmi	Malaysian	Chairman / Managing Director
Datuk Sulaiman bin Daud	Malaysian	Independent Non-Executive Director
Tengku Mohd Hasmadi bin Tengku Hashim	Malaysian	Executive Director
Zainal Abidin bin Jamal	Malaysian	Independent Non-Executive Director
Muhammad Adib Ariffin	Malaysian	Independent Non-Executive Director

## 1. INFORMATION SUMMARY (CONT'D)

Notes :-

- (i) *Deemed interest pursuant to Section 6A of the Act by virtue of its shareholding in KKMB.*
- (ii) *Deemed interest pursuant to Section 6A of the Act by virtue of its shareholding in NHSB.*
- (iii) *Deemed interest pursuant to Section 6A of the Act by virtue of its shareholding in NCSB.*
- (iv) *Deemed interest pursuant to Section 6A of the Act by virtue of his shareholding in Trisilco Equity.*
- (v) *Deemed interest pursuant to Section 6A of the Act by virtue of his and his spouse's, Datin Rohaya Idrus, shareholding in Ibroni.*
- (vi) *Deemed interest pursuant to Section 6A of the Act by virtue of her and her spouse's, Datuk Paduka Ibrahim Ali, shareholding in Ibroni.*

Further details on our Promoters, substantial shareholders and Directors are set out in Section 5 of this Prospectus.

### 1.3 Details Of The Public Offering

Summary details of the Public Offering are as follows :-

- (i) **4,000,000** Shares available for application by the Malaysian Public.
- (ii) **15,000,000** Shares available for application by our eligible Directors and employees and the eligible Directors and employees of our subsidiaries, the Park May Group and KKMB; and
- (iii) **16,000,000** Shares by way of private placement.

The Public Offering Price is **RM0.50** per Share, payable upon application and is subject to the terms and conditions of this Prospectus.

Further details on the Public Offering is set out in Section 2 of this Prospectus.

### 1.4 Utilisation Of Proceeds

As set out in Section 2.6 of this Prospectus, the entire proceeds of approximately RM17.5 million arising from the Public Offering will accrue to the Offeror. No part of the proceeds will be received by our Company. All the costs and expenses relating to the Public Offering will be borne by the Offeror.

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**1. INFORMATION SUMMARY (CONT'D)****1.5 Proforma Consolidated Income Statements**

The summary of the proforma consolidated income statements of our Group for the past three (3) financial years ended 31 December 2006 as set out in the table below has been prepared for illustrative purposes only on the assumption that our Group had been in place throughout the periods under review and should be read together with the accompanying notes and assumptions included in the Reporting Accountants' letter on the Proforma Consolidated Financial Information of our Group as set out in Section 9.12 of this Prospectus.

Financial year ended 31 December	2004	2005	2006
	(RM'000)	(RM'000)	(RM'000)
<b>Revenue</b>	<b>268,717</b>	<b>267,528</b>	<b>269,845</b>
<i>KTB Group (excluding the Park May Group)</i>	<i>211,905</i>	<i>229,524</i>	<i>228,571</i>
<i>Park May Group</i>	<i>56,812</i>	<i>38,004</i>	<i>41,274</i>
<b>Gross Profit</b>	<b>58,725</b>	<b>47,011</b>	<b>45,403</b>
<b>EBITDA</b>	<b>73,178</b>	<b>43,973</b>	<b>48,748</b>
<b>Profit from operations</b>	<b>10,401</b>	<b>11,801</b>	<b>17,510</b>
Finance costs	(12,067)	(10,638)	(12,005)
Impairment loss	566	-	(689)
Gain on disposal of associates	24,286	-	105
Exceptional items	-	-	-
Share of profit / (loss) in associate	-	-	-
<b>Profit / (Loss) before taxation</b>	<b>23,186</b>	<b>1,163</b>	<b>4,921</b>
<i>KTB Group (excluding the Park May Group)</i>	<i>7,052</i>	<i>4,241</i>	<i>10,728</i>
<i>Park May Group</i>	<i>16,134</i>	<i>(3,078)</i>	<i>(5,807)</i>
Taxation	(3,627)	(1,795)	3,675
<b>Profit / (Loss) after taxation</b>	<b>19,559</b>	<b>(632)</b>	<b>8,596</b>
Extraordinary items	-	-	-
MI	95	27	(13)
<b>Net profit / (loss) attributable to the shareholders</b>	<b>19,654</b>	<b>(605)</b>	<b>8,583</b>
<i>KTB Group (excluding the Park May Group)</i>	<i>3,656</i>	<i>2,537</i>	<i>14,082</i>
<i>Park May Group</i>	<i>15,998</i>	<i>(3,142)</i>	<i>(5,499)</i>
<b>Gross profit margin (%) *</b>	<b>21.9</b>	<b>17.6</b>	<b>16.8</b>
<b>Net profit / (loss) margin (%) ^</b>	<b>7.3</b>	<b>(0.2)</b>	<b>3.2</b>
<b>No. of Shares in issue ('000)</b>			
- Before full conversion of the ICSSL	301,997	301,997	301,997
- After full conversion of the ICSSL	402,797	402,797	402,797
<b>EPS (before full conversion of the ICSSL)</b>			
Gross (Sen)	19.45	15.57	15.03
Net (Sen)	6.51	(0.20)	2.84
<b>EPS (after full conversion of the ICSSL)</b>			
Gross (Sen)	14.58	11.67	11.27
Net (Sen)	4.88	(0.15)	2.13

\* calculated based on gross profit over revenue

^ calculated based on PAT over revenue

The audited consolidated financial statements of our Group for the periods under review were not subject to any audit qualification.

Please refer to Section 9.2.3 of this Prospectus for the overview of the historical financial information of our Group.

## 1. INFORMATION SUMMARY (CONT'D)

## 1.6 Proforma Consolidated Balance Sheets As At 31 December 2006

The following table sets out the proforma consolidated balance sheets of our Group as at 31 December 2006 which has been prepared for illustrative purposes only to show the effects of the Restructuring Scheme of Park May on the audited accounts of our Company as if the Restructuring Scheme of Park May had been effected on that date and should be read together with the accompanying notes and assumptions included in the Reporting Accountants' letter on the Proforma Consolidated Financial Information of our Group as set out in Section 9.12 of this Prospectus.

	Audited As At 31.12.2006 (RM'000)	Proforma 1 (RM'000)	Proforma 2 (RM'000)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	186,638	211,290	211,290
Investment properties	-	1,050	1,050
Other investments	109	109	109
Deferred tax assets	962	2,781	962
Goodwill on consolidation	-	83,259	83,259
	187,709	298,489	296,670
<b>Current Assets</b>			
Inventories	1,333	1,757	1,757
Trade and other receivable	78,817	84,252	84,252
Cash and bank balances	3,809	6,080	6,080
	83,959	92,089	92,089
<b>TOTAL ASSETS</b>	271,668	390,578	388,759
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	126,000	150,999	201,399
Share premium	-	-	12,600
Other reserves	(57,277)	(57,527)	(57,527)
Retained profit	-	1,819	-
ICSLS-equity	-	56,264	-
	68,723	151,555	156,472
<b>Minority interests</b>	-	1,683	1,683
<b>Total equity</b>	68,723	153,238	158,155
<b>Non-current Liabilities</b>			
Retirement benefit obligations	9,051	10,465	10,465
Borrowings	91,684	93,534	93,534
Deferred tax liabilities	3,298	5,703	5,703
ICSLS – liability	-	4,491	-
	104,033	114,193	109,702
<b>Current Liabilities</b>			
Retirement benefit obligations	571	794	794
Trade and other payables	51,584	72,077	72,077
Borrowings	43,023	44,133	44,133
ICSLS – liability	-	2,245	-
Provision for taxation	3,734	3,898	3,898
	98,912	123,147	120,902
<b>Total liabilities</b>	202,945	237,340	230,604
<b>TOTAL EQUITY AND LIABILITIES</b>	271,668	390,578	388,759
Number of Shares in issue ('000)	252,000	301,997	402,797
NTA (RM'000)	68,273	^ 12,032	73,213
NTA per Share (RM)	0.27	0.04	0.18
<b>NTA per Share after inclusion of equity portion of the ICSLS (RM)</b>	<b>0.27</b>	<b>0.23</b>	<b>0.18</b>



**1. INFORMATION SUMMARY (CONT'D)**

^ *excludes the equity portion of the ICSSL*

Notes :-

*Proforma 1 : After the Proposed Share Exchange, the Proposed Shares Cancellation, the Proposed Debt Restructuring and the Public Offering*

*Proforma 2 : After Proforma 1 and upon full conversion of the ICSSL*

**1.7 Consolidated Profit Forecast**

Financial year ending 31 December 2007	RM'000
<b>Consolidated PAT and MI</b>	<b>14,972</b>
<b><u>After the Restructuring Scheme of Park May but before full conversion of the ICSSL</u></b>	
No. of Shares in issue ('000)	301,997
Net EPS (sen) *	4.96
Net PE Multiple based on the Public Offering Price (times)	10.08
<b><u>After the Restructuring Scheme of Park May and after full conversion of the ICSSL</u></b>	
Weighted average no. of Shares in issue ('000) ^	339,965
Net EPS (sen) *	4.40
Net PE Multiple based on the Public Offering Price (times)	11.36

\* *calculated based on the consolidated PAT and MI over the number of Shares assumed in issue*

^ *after adjusting for mandatory conversion of the ICSSL as required by the revised Financial Reporting Standard 133, Earnings Per Share*

Further information on the consolidated profit forecast is set out in Section 9.5 of this Prospectus.

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## 1. INFORMATION SUMMARY (CONT'D)

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### 1.8 Summary Of Material Risk Factors

You should carefully consider the following risk factors (which are not exhaustive) in addition to other information contained elsewhere in this Prospectus before investing in our Shares :-

- (i) Operational risk relating to our public bus transportation services :-
  - (a) Escalating operating costs;
  - (b) Pilferage and fraud;
  - (c) Shortage of experienced and trained bus drivers;
  - (d) Adequacy of insurance coverage;
  - (e) Licensing and regulations;
  - (f) Government policy;
  - (g) Competition from other bus operators;
  - (h) Substitute for public bus transportation;
  - (i) Reliance on the Online System;
  - (j) Reliance on ticket agents;
  - (k) Dependence on fuel supplier; and
  - (l) Breakout of fires, energy crisis and other emergencies.
- (ii) Borrowings risks;
- (iii) Dependence on key personnel;
- (iv) Occupation and ownership of certain properties;
- (v) Legal ownership of property;
- (vi) Control by substantial shareholder;
- (vii) Related-party transactions;
- (viii) Political and economic considerations;
- (ix) No prior market for our Shares;
- (x) Capital market risk;
- (xi) Volatility of share price due to subsequent sales;
- (xii) Delay in admission and listing of our Shares;
- (xiii) Achievability of profit forecast; and
- (xiv) Disclosure regarding forward-looking statements.

Detailed commentary on these risk factors are set out in Section 3 of this Prospectus.

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## 2. PARTICULARS OF THE PUBLIC OFFERING

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This Prospectus is dated 25 May 2007.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Form with the ROC, who takes no responsibility for its contents.

**The approval of the SC as set out in Section 6.1 of this Prospectus shall not be taken to indicate that the SC recommends the Public Offering. You should rely on your own evaluation to assess the merits and risks of the Public Offering.**

Approval in-principle has been obtained from Bursa Securities via its letter dated 22 June 2005 for the admission of our Company to the Official List and for the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company as well as the new Shares to be issued upon conversion of the ICSLS on the Main Board of Bursa Securities. Official quotation will commence after receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of Application will be conditional upon permission being granted by Bursa Securities for the quotation of the entire enlarged issued and paid-up share capital of our Company on the Main Board of Bursa Securities within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC), failing which any allotment made on an Application to subscribe for the Public Offering Shares in pursuance to this Prospectus shall be void provided that our Company is notified by or on behalf of Bursa Securities of the said permission within the aforesaid timeframe. Where permission has not been granted by Bursa Securities within the timeframe mentioned above, the monies paid in respect of any Application will be returned in full without interest within fourteen (14) days after we become liable to repay it. If such monies are not repaid within the said period, the provision of sub-section 52(2) of the SCA shall apply accordingly.

**Pursuant to Section 14(a) of the Central Depositories Act, the Bursa Securities has prescribed our Shares as a Prescribed Security. In consequence thereof, the Public Offering Shares will be deposited directly with Bursa Depository and any dealings in these securities will be carried out in accordance with the Central Depositories Act and the Central Depository Rules.**

Pursuant to the Listing Requirements, at least 25% of the issued and paid-up share capital of our Company must be held by a minimum number of 1,000 public shareholders holding not less than one hundred (100) Shares each at the point of listing. In the event that the above requirement is not met pursuant to the Public Offering, our Company may not be allowed to proceed with its listing on the Main Board of Bursa Securities. In the event thereof, monies paid in respect of all Applications will be returned without interest if the said permission is not granted.

Persons submitting applications by way of Application Forms or by way of Electronic Share Application must have a CDS account. In the case of an application by way of an Application Form, an applicant should state his/her CDS account number in the space provided in the Application Form. In a case of an application by way of Electronic Share Application, only individual applicant can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institutions by keying his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Offer Shares by way of Electronic Share Application.

The SC and Bursa Securities assume no responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. Admission to the Official List does not indicate the merits of the Public Offering, our Company or our Shares.

## 2. PARTICULARS OF THE PUBLIC OFFERING (CONT'D)

We have not authorised any person to give any information or to make any representation not contained herein in connection with the Public Offering and if given or made, such information or representation must not be relied upon as having been authorised by us and/or the Offeror. Neither the delivery of this Prospectus nor any Public Offering made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Group since the date hereof.

The distribution of this Prospectus and the making of the Public Offering in certain other jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of the Public Offering Shares are subject to Malaysian laws and we take no responsibility for the distribution of this Prospectus and the offer of any part of the Public Offering Shares outside Malaysia which may be restricted by law in certain other jurisdictions. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and shall not be used for the purpose of an invitation to subscribe for the Public Offering Shares in any jurisdiction in which such invitation or offer is not authorised or lawful or to any person to whom it is unlawful to make such invitation or offer.

**If you are in any doubt of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.**

### 2.1 Purposes Of The Public Offering

The purposes of the Public Offering are as follows :-

- (i) to provide an opportunity for the Malaysian Public and our eligible Directors and employees as well as the eligible Directors and employees of our subsidiaries, the Park May Group and KKMB to participate in the equity and continuing growth of our Group;
- (ii) to enhance the stature of our Group in terms of marketing our services and capabilities, as well as maintaining our market position;
- (iii) to enable our Group to gain access to the capital markets to tap equity and debt funds for future expansion, diversification, modernisation and continued growth of our Group; and
- (iv) to facilitate the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company on the Main Board of the Bursa Securities.

### 2.2 Share Capital

	<b>RM</b>
<b>Authorised Share Capital</b>	
- 800,000,000 Shares	400,000,000
<b>Issued And Fully Paid-Up Share Capital As At 30 March 2007</b>	
- 252,000,000 Shares	126,000,000
<b>To be issued pursuant to the Proposed Share Exchange</b>	
- 49,997,348 Shares	24,998,674
<b>Enlarged share capital before full conversion of the ICSSL</b>	<b>150,998,674</b>
<b>To be issued upon full conversion of the ICSSL</b>	
- 100,800,000 Shares	50,400,000
<b>Enlarged share capital after full conversion of the ICSSL</b>	<b>201,398,674</b>

## 2. PARTICULARS OF THE PUBLIC OFFERING (CONT'D)

We have only one (1) class of shares, namely ordinary shares of RM0.50 each, all of which rank pari passu with one another. The Public Offering Shares shall, upon allotment and issue, rank pari passu in all respects with the existing issued Shares in our Company except that they shall not be entitled to any dividends, rights, bonuses, issues or other allotments or distributions which relevant book closing date is on or before the date of allotment and issue.

The other rights attaching to the Shares are as follows :-

**(i) Participation in Profit**

Subject to any special rights attaching to any Shares which we may issue in the future, the holders of the Shares shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the profits paid out by our Company as dividends and any surplus in the event of the liquidation of our Company, in accordance with our Articles of Association.

**(ii) Voting**

Each ordinary shareholder shall be entitled to vote at any general meeting of our Company in person or by proxy who may but need not be a member of our Company or by attorney or other duly authorised representative, and on a show of hands, every person present who is a shareholder or proxy or attorney or duly authorised representative of a shareholder shall have one (1) vote, and, on a poll, every shareholder present in person or by proxy or by attorney or duly authorised representative shall have one (1) vote for each Share he holds. Any proxy or attorney or duly authorised representative shall be entitled to vote both on a show of hands and on a poll.

### 2.3 Details Of The Public Offering

The Public Offering Shares which are subject to the terms and conditions of this Prospectus will be allocated in the following manner :-

- (i) **15,000,000 Shares** will be reserved for our eligible employees and Directors as well as the eligible employees and Directors of our subsidiaries, the Park May Group and KKMB.

The Shares have been allocated to a total of 2,721 eligible employees and 13 eligible Directors of our Group, Park May Group and KKMB after taking into consideration the following criteria as approved by the Board :-

- (a) Malaysian citizen with at least eighteen (18) years of age and full-time employee;
- (b) job position;
- (c) length of service; and
- (d) job performance.

**2. PARTICULARS OF THE PUBLIC OFFERING (CONT'D)**

The number of Shares allocated to the eligible Directors are as follows :-

<b>Name</b>	<b>Designation</b>	<b>No. of Shares</b>
<b><u>KTB</u></b>		
Dato' Nadzmi	Chairman / Managing Director	1,800,000
Tengku Mohd Hasmadi bin Tengku Hashim	Executive Director	350,000
Datuk Sulaiman bin Daud	Director	350,000
Zainal Abidin bin Jamal	Director	350,000
Muhammad Adib Ariffin	Director	350,000
<b><u>KKMB</u></b>		
Tan Swee Hock	Director	350,000
<b><u>Our Subsidiaries</u></b>		
Mohd Zaki bin Awang	Director	250,000
Basri Baharom	Director	250,000
Mohd Kamal bin Muda	Director	250,000
Mejar @ Mohd Noor Busu	Director	250,000
Ahmad bin Asaari	Director	150,000
Rosli bin Ramlan	Director	150,000
Muhammad Nurul Amil bin Ab Majid	Director	150,000
	<b>TOTAL</b>	<b>5,000,000</b>

The number of Shares allocated to the eligible employees are 10,000,000.

- (ii) **4,000,000 Shares** will be made available for application by the Malaysian Public, of which 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions; and
- (iii) **16,000,000 Shares** will be by way of private placement.

The minimum level of subscription shall be 28,682,230 of the Public Offering Shares which has been determined based on the number of Shares which we require to comply with the minimum public shareholding spread requirement to be held by a minimum number of 1,000 public shareholders holding not less than one hundred (100) Shares each at the point of listing.

Save for the 5,000,000 Shares which are reserved for our eligible Directors and the eligible Directors of our subsidiaries, the Park May Group and KKMB ("**Directors Portion**"), and the 16,000,000 Shares which has been reserved for investors via private placement, all the Public Offering Shares under items (i) and (ii) have been fully underwritten.

## 2. PARTICULARS OF THE PUBLIC OFFERING (CONT'D)

In the event of an under-subscription under item (i), our Shares not subscribed for will be made available for subscription by the Malaysian Public under item (ii) in the event of an over-subscription by the Malaysian Public. On the other hand, in the event of an under-subscription under items (i) and (ii) respectively, our Shares not subscribed for (save for the Directors Portion) will be made available for subscription by the Underwriter. Any remaining unsubscribed Directors Portion, if any, will be made available for placement.

On the other hand, any Placement Shares not placed out under item (iii) will be made available for subscription by the Malaysian Public under item (ii) in the event of an over-subscription by the Malaysian Public.

### 2.4 Basis Of Arriving At The Public Offering Price

The Public Offering Price of RM0.50 per Share was determined and agreed upon by our Company, the Offeror and AmInvestment Bank as Managing Underwriter after taking into account various factors, including the following :-

- (i) the net PE Multiple of approximately 10.08 times based on the forecast net EPS of 4.96 sen for the financial year ending 31 December 2007 prior to full conversion of the ICSSL;S;
- (ii) our proforma consolidated NTA as at 31 December 2006 of RM0.18 per Share after full conversion of the ICSSL;S;
- (iii) our historical financial performance, operating history and market position as set out in Sections 9.1, 9.2 and 4.4 of this Prospectus;
- (iv) the prospects of the industry in which we operate and the future plans and strategies of our Group as set out in Sections 4.6 and 4.9 of this Prospectus; and
- (v) the par value of our Shares.

However, you should note that the market price of our Shares upon listing on the Main Board of Bursa Securities is subject to the vagaries of market forces and other uncertainties which may affect the price of our Shares being traded.

You should form your own views on the valuation of our Shares before deciding to invest in our Shares.

### 2.5 Market Capitalisation Upon Listing

Based on the Public Offering Price of RM0.50 per Share and the enlarged issued and paid-up share capital of 301,997,348 prior to full conversion of the ICSSL;S, our market capitalisation upon listing will be approximately RM151.0 million.

### 2.6 Utilisation Of Proceeds

The entire proceeds of approximately RM17.5 million arising from the Public Offering will accrue to the Offeror. No part of the proceeds will be received by our Company. All the costs and expenses relating to the Public Offering will be borne by the Offeror.

## 2. PARTICULARS OF THE PUBLIC OFFERING (CONT'D)

### 2.7 Brokerage And Commission

Brokerage will be payable by the Offeror in respect of the Offer Shares made available for application by the Malaysian Public at the rate of 1% of the Public Offering Price in respect of successful Applications which bear the stamp of member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or MIH.

An underwriting commission of 2.0% of the value of the underwritten Offer Shares (being the number of the underwritten Offer Shares multiplied by the Public Offering Price) is payable by the Offeror to the Underwriter, AmInvestment Bank.

The Placement Shares will be placed out to identified public investors by the Placement Agent. A placement fee of 1.5% calculated by the number of Placement Shares multiplied by the Public Offering Price is payable by the Offeror to the Placement Agent for such number of Placement Shares that are successfully placed out by the Placement Agent.

### 2.8 Salient Terms Of The Underwriting Agreement

We had on 23 April 2007 entered into the Underwriting Agreement with AmInvestment Bank for the underwriting of 14,000,000 Shares out of the total Offer Shares.

The following are extracts of the Underwriting Agreement that may allow the Underwriter to withdraw from its obligations under the Underwriting Agreement :-

#### **"5. TERMINATION BY THE UNDERWRITERS IF ADVERSE CHANGES AND CONSEQUENCE THEREOF**

5.1 *Notwithstanding anything contained in this Agreement, the Managing Underwriter may by notice in writing given to the Company and the Offeror and the other Underwriters on or prior to the Closing Date, terminate, cancel and withdraw its Underwriting Commitment if:-*

5.1.1 *there is any breach by the Company and/or the Offeror of any of the representations, warranties or undertakings contained in **Clause 3.1** and **Clause 3.2**, as the case may be, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after such notice of such breach shall be given to the Company and/or the Offeror, or by the Closing Date, whichever is earlier;*

5.1.2 *there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriters by reason of force majeure which would have or can reasonably be expected to have, an adverse effect on the business, financial condition or prospect of the KTB Group or the success of the Offer for Sale or which is likely to have the effect of making any material obligation under this Agreement incapable of performance in accordance with its terms. "Force Majeure" means causes which are unpredictable and beyond the reasonable control of the Party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including:-*

(a) *war (whether war declared or not), acts of warfare, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war, hijacking, terrorism;*

(b) *riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power; or*



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**2. PARTICULARS OF THE PUBLIC OFFERING (CONT'D)**


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- (c) *natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning tempest, accident or other Acts of God.*
- 5.1.3 *any government requisition or other occurrence of any nature whatsoever which in the opinion of the Managing Underwriter may or is likely to have an adverse effect on the business, financial condition or prospect of the KTB Group or the success of the Offer for Sale;*
- 5.1.4 *any material change or any development involving a prospective material change, in national or international monetary, financial (including stock market conditions and interest rates), political or economic conditions on the stock market, in Malaysia or overseas, or exchange control or currency exchange rates or foreign exchange market or money market or with regards to inter-bank offer or interest rates both in Malaysia or overseas or the occurrence of any combination of any of the foregoing, which in the opinion of the Managing Underwriter may or likely to have an adverse effect on the business, financial condition or prospect of the KTB Group or the success of the Offer for Sale;*
- 5.1.5 *any change in law, regulation, directive, policy or ruling in any jurisdiction which in the opinion of the Managing Underwriter may prejudice the success of the Offer for Sale or which may or likely to have the effect of making any obligation under this Agreement incapable of performance in accordance with its terms;*
- 5.1.6 *there is withholding of information of a material nature from the Managing Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company and Offeror and which, in the opinion of the Managing Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business, financial condition or prospect of the KTB Group or the success of the Offer for Sale; and*
- 5.1.7 *there is failure on the part of the Company and/or the Offeror to perform any of their respective obligations herein contained.*
- 5.2 *Upon such notice of termination being given under **Clause 5.1**, the Underwriters will be released and discharged of their obligations without prejudice to their rights under this Agreement and this Agreement will thereafter be of no further force or effect and no Party will be under any liability to any other in respect of this Agreement, except for antecedent breaches and that the Company and the Offeror will remain liable in respect of its obligations and liabilities under **Clause 3** and the Offeror for the payment of all costs and expenses already incurred by the Underwriters up to the date on which such notice was given and for the payment of any taxes, duties or levies and or the Offeror (to whom such monies have been paid to) shall refund to the Underwriters the acquisition monies including interests accrued, if any, paid by the Underwriters pursuant to their acquisition of the Underwritten Shares pursuant to **Clause 8.1** within three (3) Market Days after the Offeror's receipt of the termination notice from the Underwriters.*
- 5.3 *Notwithstanding the other provisions in this Agreement, the Underwriters, the Company and the Offeror may however, confer with a view to deferring the Offer for Sale or amending its terms or the terms of this Agreement or enter into a new underwriting agreement accordingly. However, the Company, the Offeror and the Underwriters are not under any obligation whatsoever to make a fresh underwriting agreement."*

### 3. RISK FACTORS

Prior to making a decision to subscribe for the Public Offering Shares, you should carefully consider the following risk factors (which are not exhaustive) in addition to other information contained elsewhere in this Prospectus.

#### (i) Operational Risk Relating To Our Public Bus Transportation Services

We are subject to risks inherent in the public transportation industry, particularly those set out below.

##### (a) Escalating Operating Costs

Our Group is operating in a demanding industry where operating costs such as diesel, spare parts, tolls and wages have been on an increasing trend. It is also a highly regulated industry where the Government determines fares and only review them periodically. As such, there is always a risk that rising operating costs may not be compensated by an equivalent increase in fares. Unless effective measures are taken to mitigate the impact of increasing operating costs, our Group risks facing declining profitability under such an environment.

Diesel is the primary cost to our Group's operations. Due to our large fleet size as well as the volume of diesel consumed, any movement in diesel price will have a significant impact on the operating costs of our Group. In fact, our Group has been adversely affected by the increase in diesel prices in recent years due to unforeseen worldwide escalation of oil prices, as summarised in the table below :-

	2003	2004	2005	2006
Average diesel price per litre incurred (RM)	0.608	0.807	1.151	1.431
Change per litre (RM)	-	0.199	0.344	0.280
Change (%)	-	32.7%	42.6%	24.3%
Yearly increase in diesel costs (RM'000) *	-	11,033	19,071	15,523
Cumulative increase in diesel costs (RM'000)	-	11,033	30,104	45,627

\* based on average consumption of 4.62 million litres diesel per month, consisting of 0.72 million litres diesel consumed by the Park May Group and 3.90 million litres diesel consumed by the Bus Companies

To mitigate the impact of rising operating costs, we have undertaken various cost containments measures as follows :-

##### (aa) Use Of CNG In Substitution Of Diesel

In order to mitigate the impact of rising diesel prices as well as further reduce fuel costs, our Group is taking the necessary steps to facilitate the use of CNG buses as well as to gradually retrofit our existing buses with CNG engines for our operations. The estimated savings from the use of CNG is illustrated below :-

	Diesel	CNG	Estimated Savings	
	(RM)	(RM)	(RM)	%
Current price per litre	1.43	0.68		
Average consumed per KM (litre) *	0.52	0.59		
Average costs per KM	0.74	0.40	0.34	46

### 3. RISK FACTORS (CONT'D)

\* *Based on a study conducted by the supplier of CNG buses*

We have also appealed to the relevant authority for the provision of additional subsidy and/or reduction in diesel price. Should we succeed in the appeal, we will be able to reduce the fuel costs which in turn will contribute positively to the earnings of our Group. However, there can be no assurance that the outcome of the appeal will be successful and will be in our favour.

#### (bb) Standardised Group-Wide Cost Containments Programme

Leveraging on the expertise and operational scale of both Park May Group and the Bus Companies, a uniform group-wide cost containment procedures will be adopted to ensure maximum efficiency. We have put in place stricter control on repair and maintenance costs of buses, centralised bulk purchase for certain critical consumable materials such as diesel, tyres and spare parts to enjoy better discounts from suppliers and carry out monthly budgeting for better allocation of resources. In addition, our Group carefully monitors the load factor and profitability of each route to ensure all resources are efficiently employed and non-profitable routes are identified so that appropriate measures can be carried out to contain costs.

#### (b) Pilferage And Fraud

Our business is susceptible to risk of pilferage and fraud as bulk of the transactions are transacted in cash. Some of the most common fraud include misappropriation of ticketing revenue, fraudulent reimbursement of diesel and repair bills. Our profitability will be severely affected if the risk of pilferage and fraud is not contained and controlled effectively.

We seek to reduce this risk by adopting the following measures :-

- all the refuelling of our buses are undertaken at our refuelling depot;
- the repairs and maintenance of buses are either contracted to external workshops or covered under the repair and maintenance contracts with the chassis suppliers, thereby ensuring the quality of service and genuine / reliable parts used;
- further integration of the Online System for all the express bus services of our Group. The Online System facilitates monitoring of up-to-date ticket sales and also bus trip related information. It can also be used to check the proceeds from ticket sales and thereby minimising the risk of fraud. Currently, the Online System is only being used by the express bus services offered by certain companies within our Group. We expect the remaining express bus services within our Group to be integrated onto the Online System in the near future; and
- enforcement officers are employed for our stage and express bus services. They conduct checks on the passengers on board of the buses to ensure no loss in ticket revenue. They also act as a deterrent to potential misappropriation of ticket revenue by the bus drivers.

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**3. RISK FACTORS (CONT'D)**

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**(c) Shortage Of Experienced And Trained Bus Drivers**

The bus industry is at large labour intensive where the degree to which automation can substitute human resource is limited. The ability and success in providing reliable, comfortable, safe and uninterrupted public bus transportation services are greatly dependent upon the experience and capability of the workforce at operational level, with the bus drivers being the major element. Therefore, our ability to retain experienced and trained bus drivers will have a direct impact on our bus service operations.

We have embarked on the use of performance-based incentives to retain the bus drivers, in addition to basic salary. Yearly award is also given to the best driver to better motivate them. These measures have helped us to ease driver shortages and assist us in retaining our bus drivers.

**(d) Adequacy Of Insurance Coverage**

We currently have fire policy for all of our buildings, money policy for loss / theft of money in transit and third party motor vehicle policies for all of our buses. In addition, we have taken out insurance for passengers against accident death or injury up to RM20,000, medical treatment of up to RM500 and luggage loss claim of up to RM300 by mandatorily charging a small premium for every ticket sold for the express bus services.

However, such coverage may prove inadequate if we were to face numerous passenger injury claims in significant amounts or where a sizeable number of the buses are damaged, stolen or lost, thereby adversely affecting our operations. There can be no assurance that the insurance taken out would be adequate to address any replacement costs of our assets arising therefrom or to compensate any possible passenger liability claims against us.

**(e) Licensing And Regulations**

The bus industry is regulated by the Ministry of Entrepreneur Development whereby a licence must be obtained from the CVLB for every intended route to be serviced. Under the CVLB Act, the CVLB may issue licences which are valid for not more than seven (7) years with a right given to the holder to apply for a renewal of the licence. In addition, the bus operators need to comply with the relevant laws and regulations of other authorities such as the DOE on emission and noise pollution, Jabatan Pangangkutan Jalan ("JPJ") on compliance with Road Traffic Ordinances, 1987, Pusat Pemeriksaan Kenderaan Berkomputer ("Puspakom") on compulsory inspection of new and existing buses and traffic police department on observance of road traffic regulations. To-date, we have successfully obtained the necessary licences from the CVLB for all the buses in service as well as renewing all existing licences. On average, our licences issued by the CVLB are valid for a period of five (5) years.

Although we strive to ensure strict compliance with all laws and regulations of the authorities, there can be no assurance that any changes in the present regulations or the introduction of new regulations will not have a material and/or adverse effect on our operations and/or financial performance, or whether we will be able to ensure successful renewal of all our licences in the future.

**3. RISK FACTORS (CONT'D)**

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**(f) Government Policy**

It is always the intention of the Government to develop an integrated and efficient public transportation especially in the urban areas so as to alleviate traffic congestion and encourage use of public transportation, as set out in the Government's Ninth Malaysian Plan 2006-2010.

The Government has in the past attempted to kick-start the consolidation and rationalisation of the bus industry to create a more efficient public transport service system. In 1994, the Government mandated Park May and Intrakota Komposit Sdn Bhd to lead the amalgamation of the stage bus services in the Klang Valley. In 1995, the Government announced a consolidation plan for the express bus operators serving the North South Expressway under a consortium to be led by Park May and Mara Holding Sdn Bhd (presently known as NHSB) which were given the mandate by the Government to lead the consolidation process. However, all the consolidation efforts undertaken by the Government were forced to a halt in the late 1990s due to the economic crisis which had badly affected the country.

Since the consolidation and integration of public transport remains a priority of the Government, there can be no assurance that the future plans and/or policies to be undertaken by the Government to achieve this will not have a material and/or adverse effect on our operations and/or financial performance.

**(g) Competition From Other Bus Operators**

The bus industry remains largely fragmented with many different operators operating in their respective markets. Despite the industry being highly regulated, the Government has yet to formulate a coherent policy in terms of fares, granting of licences, number of operators and rationalisation of routes. As a result, competition from other operators is felt strongly within the stage bus and express bus industry.

In order to remain competitive whilst maintaining our market share, we remain vigilant in continuously improving the quality of our services and controlling operating costs. To this end, we are considering of, inter-alia, introducing new bus design and image as well as flagship services to improve quality of services, implementing upgrading programme for each bus on a more frequent basis so as to maintain quality of services and introducing hotline services as well as customer service officers at bus terminals to deal with customers woes. The size of our operations which gives rise to economies of scale has enabled us to manage our costs efficiently over the years.

Notwithstanding this, there can be no assurance that we will be able to minimise competition from other operators and maintain our existing market share in the future.

**(h) Substitute For Public Bus Transportation**

In addition to competition from other bus operators, the public bus transportation faces stiff competition from other modes of public transportation such as taxis, private car rentals, LRT, conventional trains and air travel as well as the increase in the ownership of private vehicle.

While public bus transportation remains the most popular form of public transportation in the country, with the introduction of Air Asia, a no-frill air operator which targets the lower end of the market, air fares for domestic routes have become more affordable and therefore, more accessible to a wider customer base. This has increased the level of competition within the airline industry as well as other modes of public transportation which provide inter-state travel such as express bus services.

**3. RISK FACTORS (CONT'D)**

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Nevertheless, we remain optimistic as cost effectiveness, frequency of services and comprehensiveness of the routes of our bus services cannot be matched by airline operators due to limited number of airports and much lower frequency of services. However, there can be no assurance that any future developments within the airline industry or other modes of transportation will not have a material and/or adverse effect on our operations and/or financial performance.

**(i) Reliance On The Online System**

Certain companies within our Group currently rely heavily on the Online System for their express bus services where all the sales and bookings of the seats at ticket counters across Peninsular Malaysia are transacted through the Online System. They also rely on the Online System to provide up-to-date service related information for their express bus services.

Although the said companies maintain a good relationship with the supplier of the Online System and the Online System is currently well-maintained, there can be no assurance that the express bus operations of the said companies will not be severely disrupted should there be a major breakdown or termination of the Online System as a result of unforeseen technical failure or liquidation of the said supplier. Nonetheless, we have put in place appropriate back-up and recovery procedures and systems, and are developing in-house expertise for the management and maintenance of the Online System.

**(j) Reliance On Ticket Agents**

Almost half of Transnasional's revenue is derived from ticket agents operating all over Peninsular Malaysia, with the remaining derived from Self-Operated Counters. The normal tenure of an agency agreement is one (1) year and is renewable upon expiry if agreed between the parties. However, there can be no assurance that the agents will not terminate the agreement prior to expiry or opt not to renew the said agreement, which in turn may affect ticket sales.

Nevertheless, Transnasional is not unduly dependent upon any individual ticket agent and contribution from each individual agent to revenue is not significant. Ticket agents can be easily replaced. Notwithstanding this, Transnasional presently maintains a good working relationship with all its agents.

**(k) Dependence On Fuel Supplier**

As disclosed in Section 4.8 of this Prospectus, we are currently dependent on a suppliers for the supply of major consumable materials for our operations. Accordingly, there can be no assurance that our operations will not be affected should the business relationship with the supplier be disrupted or it fails to / terminates supply to our Group.

Notwithstanding this, the contract with the supplier is renewable at our option and can be terminated during the contract period without penalty. In addition, we are not prevented from sourcing the required consumable materials from other suppliers and there is no shortage of compatible suppliers in the market. Therefore, any impact caused by the termination / disruption of supplies from the existing supplier, if any, to our operations should be limited.

**(l) Breakout Of Fire, Energy Crisis And Other Emergencies**

In the event of any breakout of fire, energy crisis and other emergencies, we believe that our assets, which consist mainly of buses, depots, buildings and office equipment are adequately insured. Due to the nature of our business and operations, our assets are widely spread out and therefore, any single breakout of fire, energy crisis and other emergencies is not likely to materially affect our operations.

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**3. RISK FACTORS (CONT'D)**

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**(ii) Borrowings Risks**

We generally rely on external financing such as bank borrowing, leases and hire purchase to finance our capital expenditure and expansion. As the financing costs for the said borrowings are largely dependent on the level of interest rates, there can be no assurance that fluctuations in interest rates will not have a material and/or adverse effect on our profitability.

Notwithstanding this, all financing proposals are carefully evaluated, taking into consideration, inter-alia, our gearing level, attractiveness of financing package and our future cashflow. In addition, purchase of new buses is undertaken using finance leases or hire purchase facilities obtained from certain local financial institutions which we have a long and good relationship with. Due to good track record and relationship with these financial institutions, we have not experienced any major difficulty in obtaining financing with competitive rates from these financial institutions.

The ICSSLs to be issued pursuant to the Proposed Debt Restructuring bears an annual coupon payment of 4%, or approximately RM2.52 million per annum payable quarterly in arrears. Although the ICSSLs has a tenure of three (3) years only, there can be no assurance that the said coupon payments can be sufficiently met in the event of unforeseen acute cashflow position, which in turn will result in an event of default under the Trust Deed.

We will carry out timely budget and forecast in order to ensure that all our borrowing obligations and the coupon payments for the ICSSLs are sufficiently met as and when the obligation arises.

**(iii) Dependence On Key Personnel**

Our future success will depend significantly upon the abilities and continued efforts of our management who has extensive knowledge and experience in the transportation industry. The loss of key members of our management and personnel may impair our ability to compete effectively with our competitors. However, efforts are continuously undertaken to ensure that these key personnel gain work satisfaction and due recognition extended for their commitment and loyalty to us so as to ensure our continued performance and success in the future.

**(iv) Occupation And Ownership Of Certain Properties**

Certain companies within our Group are currently unable to locate the CF for buildings erected on their land, as more particularly set out in Section 8.1 of this Prospectus.

By-Law 28 of the Uniform Building By-Laws ("UBBL") provides that no person shall occupy or permit to be occupied any building or any part thereof unless a CF, a partial CF or a temporary CF has been issued under the UBBL for such building and any failure to comply with the UBBL shall render such person liable to prosecution under the Street, Drainage and Building Act 1974 ("SDBA"). Failure to comply with By-Law 28 of the UBBL shall render the person liable on conviction to a fine not exceeding RM2,000 and a further fine not exceeding RM100 for each day the offence is continued after conviction. It is also stated under Section 72 of the SDBA that contravention of the UBBL may entitle the local authority to serve a notice on the owner requiring the owner to demolish such building and/or take such steps as may be ordered by the local authority.

Although our affected subsidiaries have written to the relevant local authorities to request for a copy of the CF, these subsidiaries may be in contravention of the UBBL and SDBA where such penalty would be imposed by the local authority, if convicted.

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**3. RISK FACTORS (CONT'D)**

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**(v) Legal Ownership Of Property**

Based on SKMK's asset register, SKMK currently occupies the land known as PN 2692, Lot 3618, Mukim Maka, Jajahan Tanah Merah, Kelantan ("**Said Land**") and the workshop and bus depot erected thereon. Based on the audited accounts for the financial year ended 31 December 2006, the NBV of the Said Land together with the workshop and bus depot is approximately RM601,927. Based on the results of private land search, the Said Land is registered in the name of Perbadanan Kemajuan Iktisad Negeri Kelantan ("**PKINK**") and there is no presentation made to the relevant Land Registry/Office for the transfer of ownership to SKMK or private caveat entered by SKMK against the Said Land.

Under Section 340 of the National Land Code ("**NLC**"), any title or interest SKMK may have in the Said Land will only be conferred indefeasibility upon registration of the said title or interest in accordance with the provisions of the NLC.

**(vi) Control By Substantial Shareholder**

Upon completion of the Public Offering, the Offeror will hold 220,180,241 Shares, representing 72.91% of the enlarged issued and paid-up share capital of our Company before full conversion of the ICSLS. As such, it is likely that the Offeror will be able to effectively control the business direction and management of our Company by virtue of its controlling shareholding and also through its nominee directors who sit on the board of our Company, unless the Offeror and/or its nominee directors are required to abstain from voting by law and/or by relevant authorities.

**(vii) Related-Party Transactions**

As disclosed in Section 7.1 of this Prospectus, we are engaged in transactions with parties in which certain of our substantial shareholders and/or directors have interest, directly and/or indirectly. However, our Directors have confirmed that these transactions have been entered into in the normal course of business and on terms which are not unfavourable to us.

**(viii) Political And Economic Considerations**

Like any other business entities, changes in political and economic conditions in Malaysia and the countries in which we operate can materially and/or adversely affect our profitability and business prospects. These political and economic uncertainties include, but not limited to, changes in political leadership, expropriation, nationalisation, changes in interest rates or tax and global economic downturn.

**(ix) No Prior Market For Our Shares**

There has been no prior market for our Shares. There can be no assurance that an active market for our Shares will be developed or sustained after the Listing Date. There can also be no assurance that the Public Offering Price will correspond to the price at which our Shares will be traded on the Main Board of Bursa Securities upon or subsequent to the Listing Date. We believe that a variety of factors can cause the price of our Shares to fluctuate and such fluctuations may affect adversely the market price of our Shares.



**3. RISK FACTORS (CONT'D)**

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**(x) Capital Market Risk**

The performance of the local bourse is very much dependent on external factors such as the performance of regional and world bourses, flows of foreign funds and prices of certain commodities. Market sentiments are also driven by internal factors such as political and economic conditions of the country, interest rates and foreign exchange policies. As a security to be listed on the Bursa Securities, the performance of our Shares would therefore be subject to these various factors. However, it should be noted that our profitability is not dependent on and has no direct correlation with the performance of the local as well as other bourses.

**(xi) Volatility Of Share Price Due To Subsequent Sales**

The sale of substantial amount of our Shares in the market after the Listing Date, if any, can adversely affect the market price of our Shares and our ability to raise capital in the future via the equity market.

**(xii) Delay In The Admission And Listing Of Our Shares**

The date for admission will normally occur at least two (2) clear market days after our Shares have been allocated to the investors' respective CDS account maintained with Bursa Depository. Delays in the admission and the commencement of trading in shares on Bursa Securities have occurred previously. In the event sufficient placees cannot be identified in a timely manner for the Placement Shares or Bursa Securities does not admit our Shares for listing, the market for our Shares will be illiquid and it may not be possible to trade on our Shares. This may also have an adverse effect on the value of our Shares.

**(xiii) Achievability Of Profit Forecast**

Sections 1.7 and 9.5 of this Prospectus sets out our consolidated profit forecast based on assumptions made by our Directors and is presented on a basis consistent with the accounting policies adopted by us.

Due to the subjective judgments and inherent uncertainties which are involved in the preparation of the forecast and assumptions thereof, and because events and circumstances may not occur as expected, there can be no assurance that the forecast contained herein will be realised and actual results may be materially different from those shown. Further, no assurance can be given that any change in these factors will not have an adverse effect on our business and operations.

**(xiv) Disclosure Regarding Forward-Looking Statements**

This Prospectus includes forward-looking statements which are statements other than statements of historical facts, including without limitations, those regarding our financial position, business strategy, plans and objectives of our management for future operations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our Group or industry results, to be materially different from any future results, performance or achievements expresses or implied by such forward-looking statements. Such forward-looking statements are also based on numerous assumptions regarding our Group's present and future business strategies and the environment in which our Group operates in the future. Such factors include, inter-alia, general economic and business conditions, competitions, the impact of new laws and regulations affecting our Group and the industry, changes in interest rates and changes in foreign exchange rates. In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by our Company or our advisers that the plans and objectives of our Group will be achieved.

#### 4. INFORMATION ON OUR GROUP

##### 4.1 Our History And Background

Our Company was incorporated in Malaysia under the Act on 5 June 2003 as a public company.

Our Company is principally an investment holding company. Our subsidiaries are principally involved in the provision of public bus transportation comprising stage and express bus operations within Peninsular Malaysia. Our Group's structure is set out in Section 4.3 of this Prospectus.

Our express bus operations provide a comprehensive coverage within the Peninsular Malaysia, and command the largest market share in Peninsular Malaysia based on estimated revenues for 2006, with Transnasional being the leader in the express bus industry of Peninsular Malaysia (*Source: Independent Market Report prepared by Frost & Sullivan dated 18 April 2007*).

Our Company was incorporated for the sole purpose of facilitating the Restructuring Scheme of Park May whereby our Company will be listed on the Main Board of the Bursa Securities, in place of Park May which will be delisted. As at 30 March 2007, the Acquisition Of Bus Companies has been completed. The other components of the Restructuring Scheme of Park May, namely the Proposed Share Exchange, the Proposed Shares Cancellation and the Proposed Debt Restructuring will be completed prior to the Listing Date.

Please refer to Section 4.3 of this Prospectus for further details on the Restructuring Scheme of Park May.

##### 4.2 Share Capital And Changes In Share Capital

The authorised share capital of our Company is RM400,000,000 comprising 800,000,000 Shares. The issued and fully paid-up share capital of our Company as at 30 March 2007 is RM126,000,000 comprising 252,000,000 Shares.

Details of the changes in the issued and paid-up share capital of our Company since the date of incorporation are as follows :-

Date of allotment	No. of Shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
05.06.03	2	1.00	Subscribers' shares	2
27.02.04	4	0.50	Share split into two (2) Shares for every existing ordinary share of RM1.00 each	2
27.02.04	1,999,996	0.50	Cash	1,000,000
06.09.05	78,851,168	0.50	Issued pursuant to the Voluntary Offer Of SKMK and the Voluntary Offer Of Keramat	40,425,584
06.09.05	170,111,229	0.50	Issued pursuant to the Acquisition Of Six (6) Companies	125,481,198.50
19.09.05	1,037,603	0.50	Issued for the compulsory acquisition pursuant to the Voluntary Offer Of SKMK and the Voluntary Offer Of Keramat	126,000,000

#### 4. INFORMATION ON OUR GROUP (CONT'D)

Pursuant to the Proposed Debt Restructuring, our Company will issue RM63.0 million nominal value of ICCLS to Affin Investment in accordance with the terms and conditions of the DRA. The salient features of the ICCLS are set out in Section 4.3.4 of this Prospectus.

#### 4.3 Restructuring Scheme Of Park May

On 11 March 2004, our Company entered into the Definitive Agreement with Park May and the Offeror for the purposes of, inter-alia, giving effect to and implementing the Restructuring Scheme of Park May which involves the following :-

##### 4.3.1 Acquisition Of Bus Companies

There are three (3) components to the Acquisition Of Bus Companies, as follows :-

- (a) Acquisition Of Six (6) Companies;
- (b) Voluntary Offer Of SKMK; and
- (c) Voluntary Offer Of Keramat.

##### 4.3.1.1 Acquisition Of Six (6) Companies

On 11 March 2004, our Company entered into the Perak Roadways SPA with Perak Roadways to acquire 80,000 ordinary shares of RM1.00 each held by Perak Roadways in Transnasional, representing 0.9% of its equity interest, for a purchase consideration of RM320,000 to be satisfied by the issuance of 640,000 new Shares in our Company at an issue price of RM0.50 per Share. Subsequently, on 29 December 2004, our Company entered into the KKMB SPA with KKMB to acquire KKMB's entire legal and beneficial interest in the following companies, to be satisfied by the issuance of 169,471,229 new Shares in our Company at an issue price of RM0.50 per Share :-

Name of company	Equity interest to be acquired (%)	Purchase consideration (RM)	No. of New Shares @ RM0.50 per Share
Langkasuka	100.0	5,166,119.00	10,332,238
Klang Banting	100.0	18,358,649.00	36,717,298
Labu Sendayan	100.0	12,826,551.00	25,653,102
Starise	100.0	4,994,910.00	9,989,820
Rembau Tampin	100.0	6,278,977.00	12,557,954
Transnasional	99.1	37,110,408.50	74,220,817
<b>TOTAL</b>		<b>84,735,614.50</b>	<b>169,471,229</b>

The KKMB SPA and the Perak Roadways SPA were completed on 6 September 2005.

##### 4.3.1.2 Voluntary Offer Of SKMK

Concurrent with the Voluntary Offer Of Keramat, our Company had on 17 May 2005 undertaken a voluntary offer for all the 7,250,620 ordinary shares of RM1.00 each in SKMK, representing the entire issued and paid-up share capital of SKMK, to be satisfied by the issuance of a total of 72,506,200 new Shares in our Company at an issue price of RM0.50 per Share on the basis of ten (10) new Shares in our Company for every one (1) existing ordinary share held in SKMK.

#### 4. INFORMATION ON OUR GROUP (CONT'D)

As announced by way of press notice on 15 August 2005, our Company had received acceptances for 7,118,500 ordinary shares of RM1.00 each in SKMK, representing 98.18% of its equity interest. Subsequently, on 17 August 2005, our Company had invoked the provisions of Section 34 of the SCA to compulsorily acquire all the remaining ordinary shares in SKMK for which acceptances were not received as at the closing of the Voluntary Offer Of SKMK, which was subsequently completed on 19 September 2005.

##### 4.3.1.3 Voluntary Offer Of Keramat

Concurrent with the Voluntary Offer Of SKMK, our Company had on 17 May 2005 undertaken a voluntary offer for all the 1,054,653 ordinary shares of RM1.00 each in Keramat, representing the entire issued and paid-up share capital of Keramat, to be satisfied by the issuance of a total of 7,382,571 new Shares in our Company at an issue price of RM0.50 per Share on the basis of seven (7) new Shares in our Company for every one (1) existing ordinary share held in Keramat.

As announced by way of press notice on 15 August 2005, our Company had received acceptances for 1,038,822 ordinary shares of RM1.00 each in Keramat, representing 98.50% of its equity interest. Subsequently, on 17 August 2005, our Company had invoked the provisions of Section 34 of the SCA to compulsorily acquire all the remaining ordinary shares in Keramat for which acceptances were not received as at the closing of the Voluntary Offer Of Keramat, which was subsequently completed on 19 September 2005.

##### 4.3.1.4 Basis Of Arriving At The Purchase Consideration

The purchase consideration for the Acquisition Of Bus Companies was arrived at on a willing-buyer willing-seller basis after taking into consideration the historical financial performance as well as the earnings potential of the Bus Companies.

The purchase consideration represents an average PE Multiple of 8.77 times based on the forecast PAT of the Bus Companies for the financial year ending 31 December 2007, as follows :-

Name of company	Equity interest acquired	Purchase consideration	PAT	Average Net PE Multiple
	(%)	(RM'000)	(RM'000)	(times)
Langkasuka	100.0	125,000	14,257	8.77
Kiang Banting	100.0			
Labu Sendayan	100.0			
Starise	100.0			
Rembau Tampin	100.0			
Transnasional	100.0			
SKMK	100.0			
Keramat	100.0			

**4. INFORMATION ON OUR GROUP (CONT'D)**

Similar but not directly comparable companies listed on the Main Board of the Bursa Securities which are involved in public bus transportation services are as follows :-

<b>Company</b>	<b>Closing price @ 30.03.07 (RM)</b>	<b>Net earnings / (loss) per share (sen)</b>	<b>Net PE Multiple (times)</b>
KBES Berhad	0.43	(1.41) *	-
Gunung Capital Berhad	0.34	0.98 *	0.35

\* based on the unaudited results for the financial year ended 31 December 2006

Presently, the only public listed company directly comparable with our Company is Park May as Park May offers both stage and express bus services. KBES Berhad and Gunung Capital Berhad only operate express bus. However, Park May will become our wholly-owned subsidiary pursuant to the Proposed Share Exchange and the Proposed Shares Cancellation which will be completed prior to the Listing Date.

After taking into consideration of the average net PE Multiple of the Bus Companies, the market position and competitive advantage of the Bus Companies, the performance of the Bus Companies against other similar but not directly comparable public listed companies and having considered the prospective earnings as well as the historical financial performance of the Bus Companies, AmInvestment Bank takes the view that the purchase consideration of RM125,000,000 for the Acquisition Of Bus Companies appears to be reasonable.

**4.3.2 Proposed Share Exchange**

Prior to the Listing Date, all the existing ordinary shares of RM1.00 each in Park May will be exchanged with new Shares in our Company on the basis of two (2) new Shares for every three (3) existing ordinary shares of RM1.00 each held in Park May pursuant to a scheme of arrangement between Park May and its shareholders under Section 176 of the Act. In effect, the said exchange amounts to a capital reduction of 66.7 sen for every existing ordinary share of RM1.00 each held in Park May.

Upon completion of the Proposed Share Exchange, the existing shareholders of Park May will receive 49,997,348 new Shares in our Company in exchange for 74,996,022 ordinary shares of RM1.00 each in Park May previously held by them.

The new Shares to be issued pursuant to the Proposed Share Exchange will rank pari passu in all respects with the existing issued Shares in our Company except that these new Shares shall not be entitled to any dividends, rights, bonuses, issues or other allotments or distributions which relevant book closing date is on or before the date of allotment and issue.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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**4.3.3 Proposed Shares Cancellation**

Upon completion of the Proposed Share Exchange, all of the issued and paid-up share capital of Park May of 74,996,022 ordinary shares of RM1.00 each will be cancelled pursuant to Section 64 of the Act and the credit of RM74,996,022 which will arise in the books of account of Park May as a result of the said cancellation will be applied to pay up in full at par 74,996,022 new ordinary shares of RM1.00 each in Park May which will be allotted and issued by Park May to our Company credited as fully paid-up.

Upon completion of the Proposed Shares Cancellation, Park May will become our wholly-owned subsidiary.

The new ordinary shares in Park May to be issued to our Company pursuant to the Proposed Shares Cancellation shall rank pari passu in all respects with the existing issued ordinary shares in Park May except that these new ordinary shares shall not be entitled to any dividends, rights, bonuses, issues or other allotments or distributions which relevant book closing date is on or before the date of allotment and issue.

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#### 4. INFORMATION ON OUR GROUP (CONT'D)

##### 4.3.4 Proposed Debt Restructuring

Park May had on 23 January 2002 executed a trust deed with MTB and Affin Discount as lead arranger / manager, facility agent, authorised depository, issuing agent and paying agent in respect of the issuance of up to RM120.0 million nominal value of CP/MTN. MTB acted as trustee for the CP/MTN. The said trust deed was subsequently supplemented by a supplemental trust deed dated 25 January 2007 to extend the maturity date of the CP/MTN to 26 June 2007.

On 20 April 2005, our Company, Park May, MTB and Affin Discount entered into the DRA to restructure RM63.0 million of the then CP outstanding. However, on 1 July 2006, Affin Investment had assumed all the assets and liabilities of Affin Discount.

Pursuant to the Proposed Debt Restructuring, Park May will cancel the entire RM63.0 million CP outstanding in accordance with the terms of the DRA and in consideration thereof, our Company will issue RM63.0 million nominal value of ICSLS to Affin Investment as full and final settlement.

The salient terms of the ICSLS are as follows :-

Issuer	: KTB
Nominal Value	: RM63.0 million
Ratio	: RM1.00 nominal value of the ICSLS for every RM1.00 debt
Form and Denomination	: The ICSLS will be issued in registered form and in multiples of RM1.00 by instrument in writing in the form of an ICSLS certificate or such other form as the Directors may approve. The ICSLS are non-tradable and non-transferable
Security	: Second (2 <sup>nd</sup> ) charge and second (2 <sup>nd</sup> ) debenture on the assets of the Park May Group
Issue Price	: At 100% of the nominal value of the ICSLS
Issue Date	: The date of issue of the ICSLS
Tenure	: Three (3) years from the Issue Date
Maturity Date	: The date occurring on the third (3 <sup>rd</sup> ) anniversary of the Issue Date. On Maturity Date, unless previously converted, all outstanding ICSLS will be mandatorily converted into new Shares in our Company at the Conversion Price
Coupon Rate	: The ICSLS bear a coupon rate of 4% per annum based on the nominal value of the ICSLS and is payable quarterly in arrears during the tenure in which they shall remain outstanding, except that the last interest payment shall be made on the Maturity Date
Taxation	: All payments of interest shall be made without withholding or deduction for taxation unless otherwise required by law

**4. INFORMATION ON OUR GROUP (CONT'D)**

Conversion Price	:	Fixed at RM0.625 for one (1) new Share in our Company credited as issued and fully paid-up
Mode Of Conversion	:	The Conversion Price shall be satisfied by tendering RM0.625 nominal value of the ICSLS for cancellation to our Company for one (1) new Share in our Company credited as issued and fully paid-up
Conversion Period	:	Convertible at any time from the Issue Date up to and including the Maturity Date at the option of Affin Investment
Conversion Rights	:	The holder of the ICSLS has the right to convert such nominal value of the ICSLS at the Conversion Price into new Shares in our Company during the Conversion Period
Adjustments To Conversion Price And Number Of ICSLS	:	Should there be an adjustment in the Conversion Price and/or the number of the ICSLS in the event of an alteration of the share capital of our Company, the said adjustment shall be made in accordance with the provisions contained in the Trust Deed constituting the ICSLS, which are standard provisions as typically applied for alterations to the share capital such as bonus issues, rights issues and capital reduction
Redeemability	:	The ICSLS are not redeemable for cash
Ranking	:	The ICSLS shall constitute direct, unconditional and secured obligations of our Company ranking pari passu among themselves and ranking at least pari passu and rateably without discrimination or preference with all other present and future unsecured obligations of our Company (other than secured obligations and priorities created by law of our Company for the time being outstanding)
Rights Of The ICSLS Holder In The Event Of Liquidation	:	The holder of the ICSLS shall be entitled within four (4) weeks thereafter by notice in writing to our Company to elect to be treated as if the Conversion Rights applicable to such ICSLS had been exercisable and had been exercised immediately before the date of such resolution and in that event, it will be entitled to receive out of the assets of our Company available in liquidation pari passu with our shareholders
Participating Rights	:	The holder of the ICSLS shall have no participating rights whatsoever in any distributions and/or offers of further securities made by our Company
Listing Status Of ICSLS	:	The ICSLS will not listed on the Bursa Securities
Ranking Of New Shares Upon Conversion Of ICSLS	:	The new Shares in our Company to be issued upon conversion of the ICSLS shall, upon allotment and issue, rank pari passu in all respects with the existing issued Shares of our Company except that the new Shares shall not be entitled to any dividends, rights, bonuses, issues or other allotments or distributions which relevant book closing date is on or before the date of allotment and issue of new Shares



#### 4. INFORMATION ON OUR GROUP (CONT'D)

Listing Status Of New Shares Upon Conversion Of ICSSL	:	Approval in-principle has been obtained from Bursa Securities on 22 June 2005 for the listing of and quotation for the new Shares in our Company to be issued upon conversion of the ICSSL
Trust Deed	:	The ICSSL will be constituted by a Trust Deed to be executed between our Company and AmTrustee
Rating	:	The ICSSL are not rated
Events of Default	of	<p>If at any time and for any reason, whether within or beyond our control, any one of the following events occurs and is continuing, that is to say :</p> <p>(a) Non-payment :-</p> <p>(1) our Company fails to pay interest on the ICSSL on the due dates thereof or if so payable, on demand; or</p> <p>(2) our Company fails to pay any amount (other than interest) due in respect of the ICSSL on the due dates thereof; or</p> <p>(3) our Company, Park May and/or any other party from time to time providing security for the payment and repayment of the ICSSL secured amounts ("<b>Security Party</b>") fails to pay any amount in respect of the ICSSL or any amount under any of the other transaction documents as set out in the Trust Deed ("<b>Transaction Documents</b>"), within five (5) Business Days from the date of notice demanding payment from our Company or the Security Party;</p> <p>(b) Breach of obligations :-</p> <p>(1) our Company fails to perform any of its obligations under Condition 4 as set out in the Trust Deed in respect of the Conversion Rights ("<b>Condition 4</b>") AND where such failure is capable of remedy, such failure continue for a period of fourteen (14) days after the due date for performance; or</p> <p>(2) our Company or any Security Party fails to perform any of its obligations under the Transaction Documents or under any undertaking or arrangement entered into in connection therewith (other than a payment obligation under the Transaction Documents and the obligations under Condition 4 AND where such failure is capable of remedy, such failure continue for a period of fourteen (14) days from the date of receipt by our Company or any</p>

## 4. INFORMATION ON OUR GROUP (CONT'D)

Security Party of a notice in writing from the Trustee requiring our Company or the Security Party to remedy such default and where such default is not capable of remedy, the Trustee has certified in writing that the Trustee reasonably considers, in its opinion, such failure to be materially prejudicial to the interest of Affin Investment;

- (c) Misrepresentation: any representation, warranty or statement which is made (or acknowledged to have been made) by our Company or any Security Party in the Transaction Documents or which is contained in any certificate, statement or notice provided under or in connection therewith proves to be incorrect in any material respect when made or, if repeated when repeated, with reference to the facts and circumstances then existing;
- (d) Invalidity: any provision of the Transaction Documents is or becomes, for any reason invalid, illegal or unenforceable under the laws of any relevant jurisdiction;
- (e) Disposal of assets: our Company or any Security Party transfers or disposes of, or threatens to transfer or dispose of, a substantial part of its business or assets or permits the transfer or disposal of a substantial part of its business or assets without the prior written consent of the Trustee. For the purpose of this sub-clause "substantial part" shall be construed as that which requires the sanction of the shareholders pursuant to the Listing Requirements;
- (f) Change of business: our Company or any Security Party changes or threatens to change the nature of its business or suspends or threatens to suspend a substantial part of its present business;
- (g) Cross-default :-
  - (1) the Company fails to pay any indebtedness (other than indebtedness referred to in Clause 14.1(a) of the Trust Deed) within five (5) Business Days after the due date for payment thereof; or
  - (2) any indebtedness (other than indebtedness referred to in Clause 13.1 (a) of the Trust Deed) in respect of borrowed money of, or guarantee in respect of borrowed money given by any Security Party (1) is not paid within five (5) Business Days after its due date or (2) becomes due and payable prior to its stated maturity for any reason whatsoever;

**4. INFORMATION ON OUR GROUP (CONT'D)**

- (h) Appointment of receiver, legal process :-
- (1) an encumbrancer takes possession of, or a trustee or administrative or other receiver or similar officer is appointed in respect of all or any part of the business or assets of our Company or any Security Party; or
  - (2) distress or any form of execution or other legal process is levied, enforced upon or sued out against all or any part of the business assets of our Company or any Security Party and is not discharged within thirty (30) days after being levied, enforced or sued out;
- (i) Inability to pay debts : our Company and/or any Security Party is/are deemed unable to pay its debts within the meaning of Section 218 of the Act or becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;
- (j) Composition, winding-up or bankruptcy :-
- (1) our Company or any Security Party convenes a meeting of its creditors or proposes or makes any arrangement or composition with, or any assignment for the benefit of, its creditors or a petition is presented (and is not stayed or discharged within thirty (30) days) or a meeting is convened for the purpose of considering a resolution for the winding-up of, or for making an administration order against, our Company or any Security Party (other than for the purposes of and followed by a reconstruction previously approved by the Trustee, unless during or following such reconstruction our Company or any Security Party becomes or is declared to be insolvent); or
  - (2) any step is taken by our Company or any Security Party for the winding-up, dissolution or liquidation or bankruptcy (voluntary or otherwise) of our Company or any Security Party;
- (k) Revocation of licence : revocation, withholding or modification of a licence, or authorisation which impairs/prejudices our Company's ability to comply with terms of the Transaction Documents.

#### 4. INFORMATION ON OUR GROUP (CONT'D)

- (l) Legal proceedings : any legal proceeding, suit or action is instituted against our Company or any Security Party which could reasonably be expected to have a material adverse effect as set out in the Trust Deed;
- (m) Analogous Events : anything analogous to any of the events set out in items (h), (i) and (j) above occurs under any applicable law; or
- (n) Jeopardy : any security created in any of the Transaction Documents is in jeopardy,

then, in each and every case of any of the above, the Trustee may at its discretion and shall, upon the request of Affin Investment or by Special Resolution, by written notice to our Company declare that an Event of Default has occurred whereupon, notwithstanding the stated maturity of the ICSLS, each of the ICSLS shall mature and the nominal value of the ICSLS then outstanding together with interest (if any) thereon calculated at the rate of four per centum (4%) per annum commencing from the immediately preceding interest payment date until the date of payment to the Trustee or Affin Investment the amount of principal in respect of the ICSLS shall immediately become payable by our Company and the Trust Deed and the securities created under the security documents shall become enforceable.

Governing Law : The laws of Malaysia

In conjunction with the Proposed Debt Restructuring, Affin Discount, Dato' Nadzmi and NHSB had on 20 April 2005 entered into the Put & Call Option Agreement, the salient terms of which are as follows :-

- (a) Both NHSB and Dato' Nadzmi jointly grant Affin Discount the Put Option, to be exercised at any time during the Put Option period, to require either NHSB or Dato' Nadzmi or both to purchase all the new Shares in our Company to be issued pursuant to the conversion of the ICSLS by Affin Discount ("**Converted Shares**"), at the price shown under item (d) below, subject to the maximum quantity limit shown therein;
- (b) Affin Discount grants both NHSB and Dato' Nadzmi the Call Option, to be exercised at any time during the Call Option period, to require Affin Discount to sell the Converted Shares to either NHSB or Dato' Nadzmi or both at the price shown under item (d) hereunder;
- (c) The option must be exercised by notice in writing signed by and/or on behalf of the parties and served during the Put / Call Option period, failing which it will lapse and cease to have any further effect. An option notice, once given, may not be withdrawn except with the written consent of the recipient;
- (d) The quantum limit for the Put Option and exercise price for the Put Option and the Call Option are as follows :-

**4. INFORMATION ON OUR GROUP (CONT'D)**

Period		Put Option Shares <u>Maximum</u> Quantity	Put / Call Option Price
		('000)	(RM)
(i)	The period commencing six (6) months after the date on which our Company is admitted to the Official List and expiring six (6) months thereafter (both dates inclusive) (" <b>First Option Period</b> ")	20,160	0.625
(ii)	The period commencing on the date following the expiry of the First Option Period and expiring twelve (12) months thereafter (both dates inclusive) (" <b>Second Option Period</b> ")	30,240	0.630
(iii)	The period commencing on the date following the expiry of the Second Option Period and expiring twelve (12) months thereafter (both dates inclusive) (" <b>Third Option Period</b> ")	50,400	0.635
<b>TOTAL</b>		<b>100,800</b>	

- (e) Any of the Put Option / Call Option on the Converted Shares not exercised during the relevant Put / Call Option period shall be carried forward to the following Put / Call Option period, and shall be bound by the terms and conditions applied for the following period, provided always that all Put Option / Call Option on the Converted Shares shall expire upon expiry of the Third Option Period.

**4.3.5 GO Waiver**

Pursuant to the Acquisition Of Bus Companies and the Proposed Share Exchange, KKMB will hold 255,180,241 Shares in our Company, representing approximately 84.50% of the issued and fully paid-up share capital of our Company as at 30 March 2007.

According to Part II Section 6 of the Code, KKMB and Parties Acting In Concert are required to extend an unconditional mandatory GO for all the remaining Shares not already owned by them in our Company after the Acquisition Of Bus Companies and the Proposed Share Exchange.

KKMB and Parties Acting In Concert had on 28 April 2004 obtained the SC's approval for a waiver from the obligation to extend the said unconditional mandatory GO.

**4.3.6 Public Offering**

In order to comply with the public shareholding spread requirement, KKMB will offer for sale / place out a total of 35,000,000 Shares held in our Company, being the subject matter of this Prospectus, as follows :-

		No. of Shares
(a)	Malaysian Public	4,000,000
(b)	Our eligible employees and Directors, the eligible employees and Directors of our subsidiaries, the Park May Group and KKMB	15,000,000
(c)	Placement to public investors to be identified	16,000,000
		<b>35,000,000</b>

**4. INFORMATION ON OUR GROUP (CONT'D)**

**4.3.7 Proposed Transfer Of Listing Status**

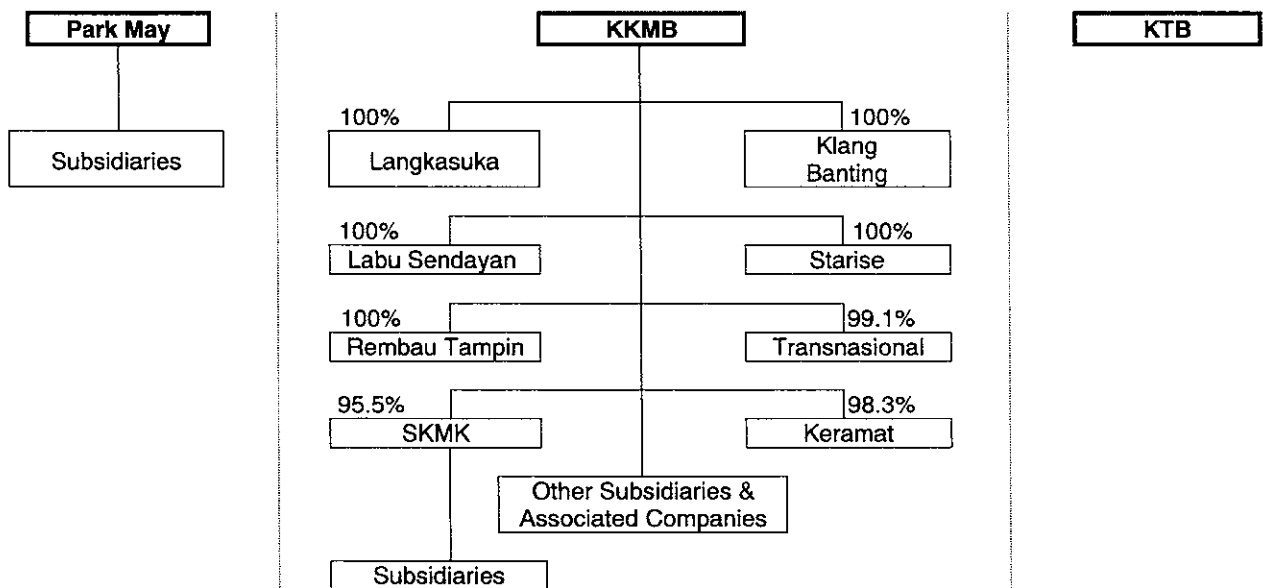
Upon completion of the Public Offering, our Company will seek listing on the Main Board of Bursa Securities which entails the admission of our Company to the Official List and the listing of and quotation for the entire enlarged issued and fully paid-up share capital of our Company on the Main Board of Bursa Securities. In conjunction with the listing of our Company, Park May will be delisted from the Main Board of Bursa Securities.

Approval in-principle has been obtained from Bursa Securities on 22 June 2005 for the admission of our Company to the Official List and the listing of and quotation for the following on the Main Board of Bursa Securities :-

- (i) the entire enlarged issued and paid-up share capital comprising 301,997,348 Shares; and
- (ii) the 100,800,000 new Shares in our Company to be issued upon conversion of the ICSLS.

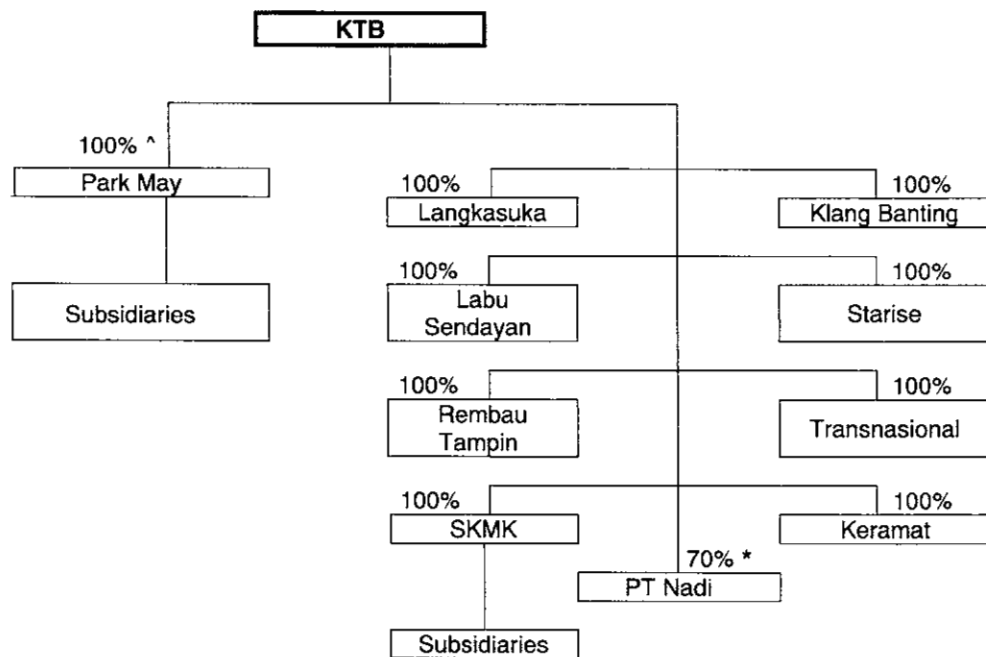
The diagrams depicting the Group structure before and after the Restructuring Scheme of Park May are as follows :-

**BEFORE RESTRUCTURING SCHEME OF PARK MAY**



4. INFORMATION ON OUR GROUP (CONT'D)

**AFTER RESTRUCTURING SCHEME OF PARK MAY**



^ upon completion of the Proposed Share Exchange and the Proposed Shares Cancellation which will take place prior to the Listing Date

\* the proposed acquisition of 70% equity interest in PT Nadi is expected to be completed prior to the Listing Date. The said proposed acquisition does not form part of the Restructuring Scheme of Park May

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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**4.4 Business Overview**

Our Company was incorporated in Malaysia under the Act on 5 June 2003 as a public company. Our Company was incorporated to facilitate the Restructuring Scheme of Park May such that our Company will become the new holding company of the Park May Group and the Bus Companies, collectively, and will be admitted to the Official List of Bursa Securities, in place of Park May which will be delisted.

Our express bus operations provide a comprehensive coverage within Peninsular Malaysia, and command the largest market share in Peninsular Malaysia based on estimated revenues for 2006, with TransnasionaI being the leader in the express bus industry of Peninsular Malaysia (*Source: Independent Market Report prepared by Frost & Sullivan dated 18 April 2007*).

**4.4.1 Principal Services**

Our Group is principally involved in the provision of public bus transportation within Peninsular Malaysia.

**(a) Public Bus Transportation Services**

Our public bus transportation operations can be broadly categorised into the following :-

**(i) Stage bus services**

This service involves plying along a designated route where passengers are free to board and alight the buses at any stopping points along the route. The chargeable bus fares are not fixed but dependent upon the distance travelled. In general, passengers purchase the tickets only when they are onboard.

**(ii) Express bus services**

This service involves travelling back and forth along a specific route with designated times and fare schedules. Passengers are not free to alight or board the buses along the route. The chargeable bus fares are predetermined based on the destination and passengers are required to purchase the tickets at designated ticket counters prior to their travel. The express bus services are segmented into two (2) types based on the seating capacity of the buses, normal and Executive Coach services. A normal express bus generally has 36 - 45 seats, whereas an Executive Coach express bus generally has 21 - 26 seats.

Our Group also offers some diversity in services, as follows :-

**(i) Executive Coach Services**

We offer Executive Coach express bus services via TransnasionaI and the Park May Group (under the "NiCE" fleet), mainly for long distance travel, servicing the routes between Kuala Lumpur to and from Georgetown, Ipoh and Singapore. It is targeted towards high-end customers who are willing to pay higher fares for extra comfort and exclusivity.



#### 4. INFORMATION ON OUR GROUP (CONT'D)

The major differences between the Executive Coach service and normal economy express service are as follows :-

- better quality of buses – all the buses employed for the Executive Coach are specially built for luxury travel and include exclusive fittings and roomy interior;
- extra room and comfort – for extra space, each Executive Coach bus is fitted with only 21 to 26 seats, as compared to 36 to 45 seats in a normal express bus. Each seat is equipped with both arm and foot rests for extra comfort. In 2002, the Park May Group introduced the “NiCE 2” semi double-decker coach offering ample space and extra comfort, the first of its kind in the country during that time. In June 2005, the Park May Group introduced “NiCE<sup>+++</sup>” coach which has on-board stewardess services and individual multi-channel on-board entertainment system; and
- on-board catering service – meals and light refreshments are served.

##### (ii) “Bas Cepat” Services

In addition to normal stage bus services, certain companies within our Group offer fewer stops stage bus services for selected routes. The “Bas Cepat” service is similar to the normal stage bus service, except that all buses are air-conditioned and fitted with reclining seats for extra comfort with fewer stops made for shorter travel time.

##### (iii) Seasonal Passes

Certain companies within our Group offer monthly bus passes to frequent customers for better savings and convenience, particularly factory workers and students. Monthly bus passes are valid for one (1) month. Holders of such passes are entitled to travel up to a return trip each day during the period when the passes remain valid. On a pro-rata basis, the monthly bus passes are generally cheaper than normal tickets.

##### (iv) Bus Charter Services

We also offer bus charter services. This entails the rental of buses (inclusive of the drivers) to cater to the various travel needs of the customers. Generally, the rental rate is calculated per 24-hour basis, starting from the time when the bus is taken out and includes all related running costs. To charter a bus, customers are required to book at least one (1) week in advance.

##### (v) Holiday Package Services

Through one of our subsidiaries, Plusliner Travel & Tours Sdn Bhd, we offer holiday package services specifically catered for travel and tour within Peninsular Malaysia and Singapore.

Depending on the needs and requirements of the customer, we organise bus transportation, accommodation, tour guides and all other related services for complete holiday packages.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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**(vi) Provision of Bus Advertisement Services**

Capitalising on our large fleet of buses and wide coverage of its bus services, we also offer bus advertisement services on our buses. This service is generally charged based on the length of the advertisement period, space required as well as number of buses involved.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

As at 30 March 2007, we operate a total fleet of 1,327 buses comprising 660 stage buses and 667 express buses, servicing all the major cities within Peninsular Malaysia, as follows :-

Name of company	Operation Base	Type of Service	Fleet Name	Average Age of Buses	Principal Service Areas	←-----No. of Buses-----→				
						Executive Coach / Luxury Express	Standard Express	Standard Stage	Standard Stage	^ Total Fleet Size
Langkasuka	Kedah	Express	Transnasional	7	Alor Setar, Butterworth, Sungai Petani and Kangar	-	36	-	-	36
		Stage	Transnasional / Cityliner	8	Surroundings of Alor Setar, Sungai Petani and Kota Kuala Muda	-	-	71	-	71
Klang Banting	Klang, Selangor	Stage	Transnasional / Cityliner	7	Surroundings of Port Klang, Klang, Shah Alam, and to/from Kuala Lumpur from/to Klang	-	-	154	-	154
Labu Sendayan	Negeri Sembilan and Melaka	Express	Transnasional	5	From/to Melaka to/from Kuala Lumpur, Shah Alam, Klang, Kuala Terengganu, Alor Gajah, Masjid Tanah, Johor Bahru, Pasir Mas and Rantau Panjang	-	55	-	-	55
		Stage	Transnasional	10	From/to Seremban to/from Melaka, Shah Alam, Klang and Kota Bharu	-	-	3	-	3
Starise	Negeri Sembilan	Stage	Transnasional / Cityliner	5	Seremban, Palong, Gemas, Pasir Besar, Bahau	-	-	22	-	22
Rembau Tampin	Negeri Sembilan and Johor	Express	Transnasional	6	From/to Johor Bahru to/from Kuala Pilah, Bahau, Seremban, Melaka, Pasir Gudang, Kuala Terengganu and Gemenech	-	38	-	-	38

## 4. INFORMATION ON OUR GROUP (CONT'D)

Name of company	Operation Base	Type of Service	Fleet Name	Average Age of Buses	Principal Service Areas	←-----No. of Buses-----→				^ Total Fleet Size											
						Executive Coach / Luxury Express	Standard Express	Standard Stage	Standard Stage												
					From/to Segamat to/from Kuala Lumpur, Tampin, Seremban and Bukit Kayu Hitam																
					From/to Melaka to/from Kuala Terengganu, Seremban and Kangar																
					From/to Tampin to/from Kuala Lumpur																
		Stage	Transnasional	2	Seremban and Masjid Tanah	-	-	-	2	2										2	
Transnasional	Peninsular Malaysia	Express (Executive Coach)	Transnasional Executive Coach	2	From/to Kuala Lumpur to/from Singapore	9	-	-	-	-										9	
		Express (Standard)	Transnasional	4	From/to major cities in Peninsular Malaysia, and Kuala Lumpur to/from Singapore	-	266	-	-	-											266
SKMK	Kelantan	Express	Transnasional	6	From/to Kota Bharu to/from Kuala Lumpur, Johor Bahru, Batu Pahat / Kluang, Shah Alam, Klang, Kuantan, Kuala Terengganu, Gua Musang, Melaka and Singapore	-	106	-	-	-											106
					From/to Johor Bahru to/from Bachok, Rantau Panjang, Pasir Mas and P. Kubur																
		Stage	Transnasional / Cityliner	10	From/to Kuala Lumpur to/from Bachok and P. Kubur	-	-	-	213	213											213
					Major towns and cities in Kelantan																

## 4. INFORMATION ON OUR GROUP (CONT'D)

Name of company	Operation Base	Type of Service	Fleet Name	Average Age of Buses	Principal Service Areas	←-----No. of Buses-----→			^ Total Fleet Size
						Executive Coach / Luxury Express	Standard Express	Standard Stage	
Keramat	Pahang	Express	Transnasional	5	From/to Temerloh to/from Kuantan, Jerantut, Melaka From/to Kuala Lipis to/from Kuantan	-	17	-	17
		Stage	Transnasional	12	Surroundings of Temerloh, Kuala Lipis, Jerantut and L. Semantan	-	-	35	35
Park May Group	West coast of Peninsular Malaysia and Pahang	Express	Plusliner, NiCE, NiCE2 and NiCE**	8	Major cities in the west coast of Peninsular Malaysia and Singapore	24	116	-	140
	Selangor, Negeri Sembilan, Pulau Pinang and Kuala Lumpur	Stage	Cityliner	10	Major cities in Selangor, Negeri Sembilan, Pulau Pinang, Seberang Prai and Kuala Lumpur	-	-	160	160
<b>TOTAL</b>						<b>33</b>	<b>634</b>	<b>660</b>	<b>1,327</b>

^ excludes buses not in operations

In addition, Rembau Tampin is currently expanding its stage bus operation in Negeri Sembilan and plans to add another 110 stage buses serving the routes between Nilai, Port Dickson, Seremban, Seremban 2, Senawang and Paroi. Upon completion of the said expansion plan, it is envisaged that Rembau Tampin will become the largest stage bus operator in Negeri Sembilan.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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**(b) Supply of Buses**

Prior to the Listing Date, our Company is expected to complete the acquisition of PT Nadi which is principally involved in importing and distribution of buses pursuant to a contract which it has secured involving the supply of twenty-eight (28) buses to a bus operator in Indonesia who is providing bus services on the TransJakarta Busway project in Jakarta, Indonesia, namely corridor 2 and corridor 3 of the said project. The TransJakarta Busway project is a mass transportation system that was introduced in Jakarta in January 2004 and is expected to be completed by 2020 with up to 15 corridors to be built.

**4.4.2 Use of Electronic Ticketing / Online System****Stage Buses**

We are embarking on an electronic ticketing system for our new stage buses whereby prepaid cards will be widely used. The advantages of using this system is that we are able to plot the exact time and location where passengers board the bus in addition to creating customer loyalty. Based on this information, additional buses can be planned and allocated for peak periods and to cater for areas which has a higher demand for stage bus services.

**Express Buses**

We have also invested in the Online System to improve the efficiency of our express bus services and facilitate control and supervision. The two (2) primary functions of the Online System are as follows :-

- (1) It acts as a platform where all the sales and bookings of seats can be made online at ticket counters located all over Peninsular Malaysia and/or via the website. This has significantly improved the operations of the express bus services of our Group as the control and monitoring of real-time ticket sales is now possible. This enables us to monitor the demand for any particular route and perform an efficient trip planning based on the load factor of the buses by managing the frequency of services and number of buses to be deployed. In addition, the data generated from the Online System can be used to verify the proceeds from ticket sales and thereby, minimising the risk of fraud.
- (2) It provides real-time bus trip related information. It also stores up-to-date service related information and allows users to assess the latest status of operations since the information is real-time and can be accessed via all terminals installed at tickets counters and/or website and their ticket agents. It contains brief particulars of the drivers and other related details such as the number of seats sold for a particular trip. It also maintains information on the trips such as the origin and destination, the expected time of departure and arrival, frequency of services as well as the ticket price for an adult and a child.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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The Online System has the following core features :-

(a) Convenience Of Purchase And Advance Ticket Bookings

Its widespread network provides customers with easy access and convenience in purchasing tickets. Also, customers are able to browse through all available trips and determine their seats in advance as all ticket bookings and bus trip planning are centralised and real-time information is available at ticket counters located all over Peninsular Malaysia. In addition, we have just introduced a ticket booking system which enables customers to select sitting arrangements by gender, the first of its kind in the country.

(b) Web-Based Ticket Purchase And Reservation

The Online System for the express bus service, namely the NiCE range of executive coaches, allows the purchase, booking, reservation and payment for the express bus tickets online through a dedicated website ([www.plusliner.com.my](http://www.plusliner.com.my)) such that customers can effectively purchase, book, reserve and pay for the service any time anywhere. This has further enhanced the flexibility and access for the bus services of our Group.

(c) Simple-To-Use Application Feature

The Online System has been designed in a highly user-friendly way to minimise learning time and improve efficiency of customer representatives. This will reduce training time and allow them to serve customers more efficiently.

(d) Centralised Booking

All bookings are maintained by a centralised booking sheet containing up-to-date information on trip schedules, availability of tickets and seating arrangements. This basically gives users access to the latest status of ticket bookings and accommodate simultaneous bookings by users at different locations. Passengers can purchase their tickets up to sixty (60) days from departure time (including return trips).

(e) Centralised Trip Schedule Planning

All schedule planning procedures are maintained by a centralised trip scheduling sheet containing up-to-date information on the trip, destination, date, time as well as the buses involved. This allows for simultaneous planning by respective personnel at different terminals. All updated trip schedule information will also be simultaneously reflected in the centralised booking sheet.

(f) Centralised Management Reporting

The Online System generates a series of reports, validating day-to-day cashflows as well as other operational transactions. Apart from collecting and presenting data in a historical manner, the Online System also adopts a proactive data analysis approach whereby data falling below certain pre-set threshold will give rise to alert messages to facilitate effective control and speedy response.

#### 4. INFORMATION ON OUR GROUP (CONT'D)

##### 4.4.3 Approvals, Major Licences And Permits

The bus industry is regulated by the Ministry of Entrepreneur Development whereby a licence must be obtained for every intended route to be serviced. The governing authority for new licences and renewal of existing licences is CVLB. A licence issued by CVLB for both the stage and express buses is on average valid for a period of five (5) years. A licence is considered valid only after the bus has completed its inspection with Puspakom and has successfully registered with JPJ.

In addition, the bus operators need to comply with the relevant laws and regulations of other authorities such as the DOE on emission and noise pollution, JPJ on compliance with Road Traffic Ordinances, 1987, Puspakom on compulsory inspection of new and existing buses and traffic police department on observance of road traffic regulations.

As at 30 March 2007, our Group collectively holds a total of 1,493 licences, as follows :-

Validity Period	Year of Expiry	No. of Licences		Total
		In Use	Not In Use	
<b>Stage Bus</b>				
Less than one (1) year	2007	125	25	150
Between one (1) to three (3) years	2008 – 2010	94	3	97
Between four (4) to five (5) years	2011 – 2012	428	17	445
More than five (5) years	From 2013 onwards	14	3	17
	<b>Sub-Total</b>	<b>* 661</b>	<b>48</b>	<b>709</b>
<b>Express Bus</b>				
Less than one (1) year	2007	212	16	228
Between one (1) to three (3) years	2008 – 2010	118	34	152
Between three (3) to five (5) years	2011 – 2012	338	60	398
More than five (5) years	From 2013 onwards	6	-	6
	<b>Sub-Total</b>	<b>* 674</b>	<b>110</b>	<b>784</b>
	<b>TOTAL</b>	<b>1,335</b>	<b>158</b>	<b>1,493</b>

\* includes 31 express bus licences and 62 stage bus licences leased by Langkasuka from UTC

We constantly ensure strict compliance with these licences so that there are no disruptions to our operations. To-date, we have successfully obtained the necessary licences from the CVLB for all our buses in service as well as renewing all existing licences.

##### 4.4.4 Brand Names, Patents, Trademarks, Licences, Technical Assistance Agreements, Franchises, Intellectual Property Rights, Commercial And Financial Contracts And/Or Arrangements

We have registered the PLUSLINER trademark which is valid until 27 November 2014. In addition, we are in the midst of renewing the Cityliner's trademark and applying for registration of Transnasional trademark.



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**4. INFORMATION ON OUR GROUP (CONT'D)**

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Majority of our buses are acquired by way of finance leases or hire purchase facilities, which is in line with normal industry practices as it may not be a sound capital management practice to finance all new buses using internal funds. However, we are not unduly dependent on any financial institution and/or provider for finance leases or hire purchase facilities and generally, there are a wide selection of finance leases or hire purchase facilities available in the market for our consideration. We have not experienced any major difficulty in obtaining the necessary financing for acquisition of new buses.

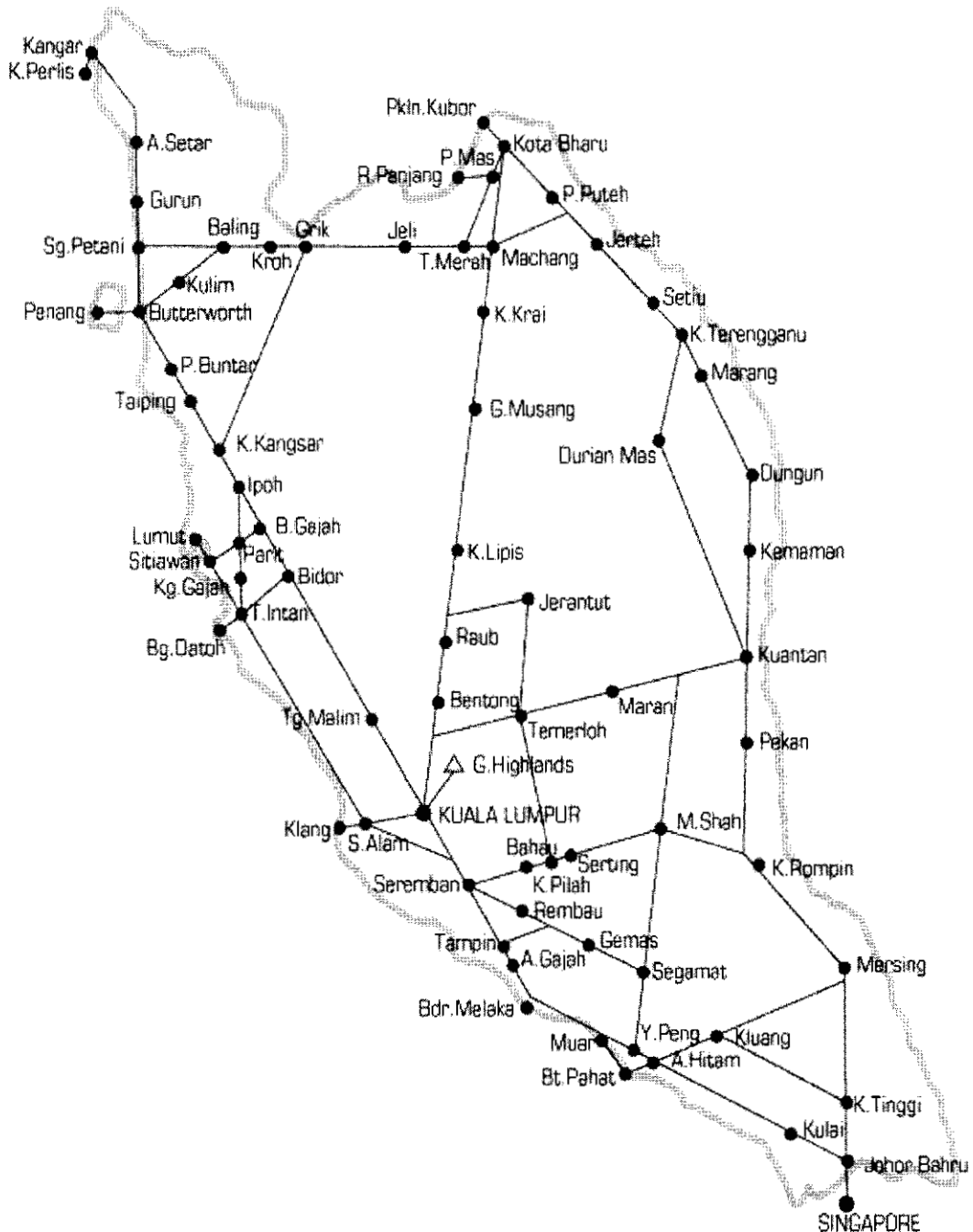
Save for the licences as disclosed in Section 4.4.3 of this Prospectus, we are not highly dependent on any registered brand name, patent, trademark, licence, technical assistance agreement, franchise, intellectual property rights, commercial and financial contracts and/or arrangements for the provision of our services.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

**4.4.5 Market Coverage, Position and Share**

As mentioned in Section 4.4.1 of this Prospectus, our express bus operations provide a comprehensive coverage within Peninsular Malaysia, covering almost all the major cities and town in Peninsular Malaysia and Singapore as depicted below and **command the largest market share in Peninsular Malaysia** based on estimated revenues for 2006, with Transnasional being the leader in the express bus industry of Peninsular Malaysia :-



#### 4. INFORMATION ON OUR GROUP (CONT'D)

Our market position as well as market share based on estimated revenues for 2006 are as follows :-

Industry	Market Position	Market Share (%)
Stage bus	1st	11.4
Express bus	1st	25.0

(Source: Independent Market Report prepared by Frost & Sullivan dated 18 April 2007)

##### 4.4.6 New And Proposed Services

We envisage that the following will be offered and/or undertaken in the near future :-

- (a) Providing passengers and their relatives/friends with real time information on the status of departure and arrival at various bus terminals and partner hotels;
- (b) Constructing wholly-owned terminals in those states or regions in Peninsular Malaysia where the state government does not provide bus terminals for use by the general public; and
- (c) Expanding our routes and services within the South East Asia region as well as Oceania since our buses already comply with the world-wide approved Australian Design Standards for crashworthiness and minimal occupants injury.

##### 4.4.7 Principal Market

Our principal market would be the general public in Peninsular Malaysia.

##### 4.4.8 Types, Sources and Availability of Resources

The primary pre-requisites in operating stage bus and express bus services are human personnel, consumable materials, repair and maintenance and availability of financial resources.

###### (i) Human Personnel

The availability of skilled and experienced bus drivers is essential to our operations. As at 30 March 2007, we have a total of 1,992 drivers, whereby 870 are stage bus drivers and 1,122 are express bus drivers. On average, our bus drivers have a minimum of eight (8) years working experience.

The turnover of our bus drivers is manageable and we generally do not encounter difficulty in sourcing new bus drivers. Further information on our human resources is set out in Section 4.4.12 of this Prospectus.

###### (ii) Consumable Materials

Our main consumable materials are diesel, spare parts and tyres. It is our Group's policy to procure consumable materials from reputable and reliable suppliers to ensure that they conform to specific quality requirement with minimum lead time. All appointed suppliers have been carefully assessed in terms of the quality of products / goods supplied and also reliability. In addition, it is our policy that we purchase new chassis only from those suppliers that provide long-term repair and maintenance contracts. Save for the price of diesel, the prices of our main consumable materials are generally not volatile.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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We maintain a good working relationship with our suppliers and have not experienced any difficulty in obtaining these materials. This in turn ensures quality and timely delivery and ultimately, idle time or downtime of our buses is minimised.

**(iii) Financial Resources**

Availability of adequate financial resources is crucial to meet our daily operational requirements and also to carry out the necessary capital expenditure such as replacement of ageing buses. Our daily operational financial requirements are sufficiently met from the cashflow generated from our operations. Purchase of new buses is mainly undertaken via finance leases or hire purchase facilities obtained from certain local financial institutions which our Group has a long and good relationship with. We have not experienced any major difficulties in obtaining financing at competitive rates from these financial institutions.

Due to our good track record, we are also able to obtain a credit arrangement with one of our principal suppliers for the purchase of 63 new buses to be used for the operations of the Park May Group, in addition to normal finance lease and hire-purchase facilities

**4.4.9 Quality of Services**

Our continued success also hinges on the quality of services offered. We constantly monitor the level of services offered with much emphasis given to the following areas :-

**(i) Maintenance And Safety Of Buses**

The average daily mileage of our stage bus and express bus are 350 KM and 800 KM respectively. In view of the extensive utilisation, prompt service and maintenance of the buses to ensure reliable, comfortable, safe and uninterrupted service to customers is important.

On average, all buses are serviced monthly. During the maintenance service, in addition to the routine service recommended by the manufacturer, all major parts of the bus are inspected for wear and tear and will be replaced if required. Periodic schedule bus maintenance ensures that all buses are serviced periodically to reduce downtime.

Repair and maintenance work are either contracted to external workshops or covered under the repair and maintenance contracts with our chassis suppliers, which has enabled us to preserve valuable management time for bus operations and front line sales as well as to achieve higher cost efficiency. Our buses generally enjoy low downtime due to the routine maintenance services undertaken by professionals. Further, those buses under the repair and maintenance contracts will be covered by a 24-hour breakdown assistance by the original chassis suppliers.

As mentioned in Section 4.4.9(ix) of this Prospectus, we have started to fit our new express buses purchased with a comprehensive GPS vehicle management tracking system which is able to track, amongst others, the actual travelling speed, location and idle time of the buses.

To further enhance the safety of our buses, since 2004, selected new express buses purchased are fitted with speed limiters which basically restrict the speed of the buses to 90KM per hour, in compliance with the maximum speed limit imposed by the Government for express buses.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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**(ii) Training Of Bus Drivers**

We generally employ drivers with valid bus driving licence and a minimum of two (2) years working experience. A six (6) months probation period will apply to newly recruited drivers and they will also have to undergo a three (3) day training prior to commencement of work to educate them on the specific routes of the buses, technical specifications of the buses, minor immediate repairs, road safety measures as well as emergency procedures. External consultants are also engaged to provide training on 'defensive driving' for the drivers.

We also have our own operating manual which is given to all new drivers, setting out the detailed procedures to be followed and actions to taken during operations as well as in the case of an emergency.

**(iii) Customer Service At Ticket Counters**

Majority of the tickets for our express bus services are bought at ticket counters, either from self-operated counters or agent-operated counters. In view of this, good customer service at ticket counters is crucial in ensuring and maintaining relationship with customers.

For all Self-Operated Counters, a one (1) day on-the-job training is conducted for all new customer representatives. We have our own operating manual which is given to all customer representatives to educate them on job knowledge and procedures in respect of the operations including, amongst others, reconciliation and safe guarding of ticket revenues, handling of customer complaints as well as identifying false currency.

All new customer representatives will be subject to a minimum of three (3) months probation period to accurately assess their performance before permanent employment is offered.

**(iv) Punctuality Of Services**

Sound and efficient trip planning is crucial to ensure the punctuality of our services, smooth running of operations and maximise utilisation of resources. Such planning will also assist in reducing service disruptions due to absence of drivers on short notice or sudden break down of buses.

Generally, we will plan our stage bus / express bus service schedule one (1) month ahead, after taking into consideration the expected demand on all routes, frequency of services, availability of drivers, staff leave and expected service schedule of these buses. We have put in place operation control centres for drivers to seek assistance should they encounter any difficulty or emergency during operations.

Log-book system is employed to monitor the bus service where the drivers are required to record the departure and arrival time before and after each completed trip. This system ensures that all services are in compliance with planned schedules and accommodate early identification of delays to allow for remedial actions to be taken with service trail established and tracked.

**(v) Operating Hours And Frequency Of Services**

In general, the operating hours of our stage buses are from 5.00 - 5.30 a.m. to 12.00 - 12.30 a.m. daily, whereas our express buses operate twenty-four (24) hours daily. The frequency of services offered can be increased to accommodate unexpected demand despite short notice.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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**(vi) Electronic Ticketing / Online System**

As already mentioned Section 4.4.2 of this Prospectus, certain companies within our Group are currently using the Online System for better management and control of their express bus operations which has significantly improved the efficiency of their services.

**(vii) Enforcement Officers**

Almost all of our stage buses are fitted with on-board automated ticket machines which basically allows passengers to purchase tickets as they board the bus. The use of these machines has eliminated the dependency on traditional bus conductors and allows greater cost savings and improvement in efficiency. In addition, it has mitigated the risk of fraud in ticket sales collection as the revenue collected can be readily reconciled to the amount of tickets sold.

Nevertheless, enforcement officers are engaged for all the stage and express bus services to check the passengers' tickets on-board which in turn will help to ensure no loss in ticket sales and also act as a deterrent to potential fraud and misappropriation. In addition, enforcement officers are entrusted to supervise the safety and general conditions of the buses.

**(viii) Continuous Investment In New Buses**

Apart from maintaining the existing buses, we also invest in new buses to replace old buses to ensure high service quality as well as remain competitive.

Express buses have a maximum life span of ten (10) years, after which they will be considered for replacement. However, stage buses will be replaced based on the condition of the buses and the routes that they are servicing. The utilisation of the stage buses is high as they service busy routes with intense competition from other operators. As such, they will be replaced on a more frequent basis. Normally, the old buses that have been replaced will be disposed of.

**(ix) Comprehensive GPS Vehicle Management Tracking System**

To further enhance the safety and cost efficiency of our buses, we have started to fit the new express buses purchased with comprehensive GPS vehicle management tracking system. The successful installation of a comprehensive GPS vehicle management tracking system provides real-time information on the conduct of the bus drivers as well as the performance of the bus engine and transmission whilst performing a trip. This has greatly enhanced passenger safety, reducing the possibility of speeding or sudden braking as well as enhancing the life of the vehicle which relates to the engine and transmission overdrive and operating temperature.

**4.4.10 Research and Development**

Despite being the market leader in the provision of public bus transportation services in Peninsular Malaysia, we constantly strive to remain competitive and innovative to ensure our market position is maintained. In doing so, we have to be sensitive as well as fast in reacting to market needs by launching innovative and more practical products and services. At the same time, we have to continue to be cost competitive in order to enable us to use part of our profits for research and development in order to expand our products and services.

#### 4. INFORMATION ON OUR GROUP (CONT'D)

There are various examples of research and development projects that had been successfully introduced as well as those expected to be launched in the near future. Telephone and electronic online ticketing booking and payment using broadband connection is one leading example, where passengers can book up to 90 days ahead either one-way or return trip or multiple connection trips regardless of where the passengers are boarding the bus from. Another example is the home/office/hotel ticket delivery services for our NiCE executive coach passengers in Klang Valley and Penang within 24 hours of booking. Cancellations, rescheduling, travel and holiday packages and chartering of buses at short notices are other services that have already gained significant momentum due to our large and ready infrastructure in handling various/changing demand of our customers.

On cost improvement measures, we are constantly on the look-out for areas where the running cost per KM travelled can be saved. These include all cost factors, from human resource, management and running expenses of each vehicle. Constant efforts are made to identify alternative and cheaper fuel, lubricants, parts, skillful maintenance labour, light-weight materials for coach building, seats to reduce operating cost per KM run.

In addition, extra care is continuously undertaken to preserve and protect our environment and the passenger safety onboard the buses. Majority of our bus fleet are equipped with engines with good emissions standard (Euro level-II) to minimise exhaust pollutions. Our bus interiors are fitted with fire-retardant, non-toxic seat fabrics and carpeting in addition to the non-fading, bright coloured and roomy interior feeling. The majority of our express buses are equipped with individual seat belts for added safety. Fire extinguishers, multiple exit doors/hatches are standard items on the buses. All of our buses that are not more than two (2) years old are manufactured according to the Australian Design standards that is approved worldwide to withstand certain collision parameters without serious injuries to passengers.

Our stage buses are also well-equipped. The majority of our stage buses have reclining seats for added comfort, especially for those traveling into big cities from the outskirts. All buses are equipped with fire extinguisher, ergonomics grip handles, buzzer, well coloured safety barriers and steps, including safe, collapsible front and side doors.

##### 4.4.11 Interruptions in Business for the Past Twelve (12) Months

There have been no interruptions in business which had a significant effect on the operations of our Group during the past twelve (12) months up to 30 March 2007.

##### 4.4.12 Employees

As at 30 March 2007, we have a total of 2,723 employees, the breakdown of which is as follows :-

Category of Employees	Malaysian	Non-Malaysian	Total	Average No. of Years in Service
Managerial and professional	44	-	44	10
Technical and supervisory	280	-	280	38
Clerical and related occupations (e.g. clerks, typists, stenographers, personal secretaries etc.)	382	-	382	14
Drivers & general workers (e.g. office despatch, security guard etc.)	2,017	-	2,017	9
<b>TOTAL</b>	<b>2,723</b>	<b>-</b>	<b>2,723 *</b>	

\* No significant number of contract and / or temporary employees

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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We view our employees as one of the most critical key success factors and that a dedicated, well-trained and efficient workforce is essential to our Group's success. As at 30 March 2007, our Group has not been involved in any material disputes with any of our employees.

A majority of our bus drivers are members of Transport Workers Union, Peninsular Malaysia ("Union"). We maintain a good relationship with all our bus drivers and no major dispute has arisen between our Group and the bus drivers.

**4.4.13 Training and Development Programmes**

Our bus drivers represent the core personnel in the provision of our services. Having considered that their experience and training will directly impact the quality and safety of the services offered, we view training seriously and always strive to ensure that our drivers are trained to meet the highest professional standards.

Our Group employs drivers with valid bus driving licence and a minimum of two (2) years working experience. A six (6) months probation period will apply to newly recruited drivers and they will also have to undergo a three (3) day training prior to commencement of work to educate them on the specific routes of the buses, technical specifications of the buses, minor immediate repairs, road safety measures as well as emergency procedures. External consultants are also engaged to provide training on 'defensive driving' for the drivers.

New drivers will first be employed for the stage bus services where the routes are relatively shorter and easier to operate before they proceed onto the express buses.

Each companies within our Group has its own operating manual which is given to all new drivers, setting out the detailed procedures to be followed and actions to taken during operations as well as in the case of an emergency. The manual operates to ensure uniform practice and quality services amongst the bus drivers.

We track the performance of our bus drivers, which in turn may qualify them for participation in the bus driver yearly award to further motivate them in their service conduct. This award was initiated after taking into consideration, inter-alia, the rate of accidents, traffic offences and customer complaints received.

**4.4.14 Key Achievements/Milestones/Awards**

Park May was the first to introduce the double-deck executive coaches in 2001. Park May through its brand name "NiCE" is still a market leader on executive coach services with a fleet of 25 executive coaches with an additional 10 units which are expected to be launched in mid-2007. New routes will also be introduced to include trips to Kuantan from Kuala Lumpur and Singapore.

In 2005, Park May launched ten (10) new coaches of 26-seater with individual multi-channel on-board entertainment system, air-line like stewardess services known as "NiCE++". This again is the first in its class where stewardess pantry is located at the front of the bus similar to an airplane. Transnasiona, on the other hand, has followed suit by introducing the double-deck executive coaches for certain routes.

Plusliner was the first to introduce a 41-seater economy coach that features both single and couple-seater configurations. Plusliner prides itself for best comfort economy class travel and is still a market leader in this category.



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**4. INFORMATION ON OUR GROUP (CONT'D)**

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Transnasional, on the other hand, has the largest network in Peninsular Malaysia and covers almost all major cities and towns in Peninsular Malaysia. Passengers can opt to buy tickets from more than 250 ticketing counters nationwide.

Electronic ticketing was launched about six (6) years ago. With this technology, passengers of Transnasional, Plusliner and NiCE can book tickets up to 90 days ahead of departure time. Return trips, multiple trips and multiple connections can be arranged instantly. In addition, for NiCE executive passengers, we offer telephone ticket booking service where tickets can be booked via telephone and will despatch the tickets to their homes/office/hotels within 24 hours in Klang Valley and Penang. More than 20,000 NiCE executive passengers who have joined our loyalty club programmes can also opt to browse through our website and pay for tickets via direct debit and have their tickets delivered. Our collaboration with certain hotels in Malaysia and Singapore have enabled our NiCE executive passengers to have access to hotel facilities including food and beverages before departure and upon arrival.

In the second quarter of 2007, we will launch a 69-seater economy class express coach which is another first of its kind in the industry.

Our Group is also looking at providing our passengers and their relatives/friends real-time information as to the status of departure and arrival at various bus terminals and partner hotels. In addition, our Group is in the process of constructing wholly-owned terminals in those states or regions in Malaysia where the state government does not provide bus terminals for use by the general public.

Our stage bus operations, on the other hand, have good footings in many states within Peninsular Malaysia. Our Group is the sole provider of stage bus transportation in the state of Kelantan. In the states of Kedah, and Negeri Sembilan, our Group commands the largest market share.

In addition to Indonesia, our Group is also looking to expand to cover other countries in the South East Asia region as well as Oceania since our buses already comply with the world-wide approved Australian Design Standards for crashworthiness and minimal occupants injury.

We have won many "first" in the industry. We are confident that we will achieve these milestones under the stewardship of our Chairman and Managing Director, Dato' Nadzmi who has won many awards such as "Ernst & Young Entrepreneur of the Year Award 2004" and "Logistic and Transport Industry Achiever of the Year 2003".

**4.4.15 Marketing / Distribution / Sales**

For ease of purchase of tickets, almost all of our stage buses are fitted with onboard automated ticket machines which basically allows passengers to purchase tickets as they board the bus. As for our express bus services, we have an extensive network of ticket counters covering virtually the whole of Peninsular Malaysia. As at 30 March 2007, our Group has a total of 301 ticket counters located in all major cities and capitals in Peninsular Malaysia, the details of which are as follows :-

## 4. INFORMATION ON OUR GROUP (CONT'D)

Name of company	City / State	No. of counters *	Operating hours
Langkasuka	Alor Setar, Kedah	1	5.00 a.m – 8.00 p.m
	Kangar, Perlis	1	7.00 a.m – 7.00 p.m
	Sungai Petani, Kedah	1	5.40 a.m – 10.00 p.m
	Butterworth, Pinang	1	6.30 a.m – 11.00 p.m
		<u>4</u>	
Labu Sendayan	Kuala Lumpur, Wilayah Persekutuan	2	8.30 a.m – 10.00 p.m
	Seremban, Negeri Sembilan	1	8.00 a.m – 7.30 p.m
	Bandar Bersejarah, Melaka	3	5.30 a.m – 8.30 p.m
	Alor Gajah, Melaka	2	8.30 a.m – 9.00 p.m
	Masjid Tanah, Melaka	1	8.30 a.m – 9.45 p.m
	Shah Alam, Selangor	1	8.00 a.m – 9.00 p.m
	Klang, Selangor	2	8.00 a.m – 10.30 p.m
	Nilai, Negeri Sembilan	1	8.00 a.m – 6.00 p.m
	Kuala Pilah, Negeri Sembilan	1	8.30 a.m – 6.00 p.m
	Gemenceh, Negeri Sembilan	1	8.00 a.m – 10.00 p.m
	Dungun, Terengganu	1	8.00 a.m – 10.00 p.m
	Kuantan, Pahang	1	7.30 a.m – 11.00 p.m
	Kuala Terengganu, Terengganu	1	7.30 a.m – 11.00 p.m
Kota Bharu, Kelantan	1	7.30 a.m – 11.00 p.m	
		<u>19</u>	
Starise	Seremban, Negeri Sembilan	1	8.00 a.m – 11.00 p.m
	Kuala Pilah, Negeri Sembilan	1	8.00 a.m – 6.00 p.m
	Bahau, Negeri Sembilan	1	7.30 a.m – 10.00 p.m
		<u>3</u>	
Rembau Tampin	Kuala Lumpur, Wilayah Persekutuan	1	8.30 a.m – 10.00 p.m
	Seremban, Negeri Sembilan	1	8.00 a.m – 7.30 p.m
	Rembau, Negeri Sembilan	1	7.30 a.m – 11.00 p.m
	Segamat, Johor	1	7.30 a.m – 9.00 p.m
	Bahau, Negeri Sembilan	1	7.30 a.m – 11.00 p.m
	Gemas, Negeri Sembilan	1	8.00 a.m – 6.00 p.m
	Kuala Pilah, Negeri Sembilan	1	8.00 a.m – 6.00 p.m
	Larkin, Johor Bahru, Johor	1	7.30 a.m – 11.00 p.m
	Pasir Gudang, Johor	1	8.00 a.m – 11.00 p.m
	Tampin, Negeri Sembilan	1	9.00 a.m – 12.00 p.m
	Kuala Terengganu, Terengganu	1	7.30 a.m – 11.00 p.m
	Kuantan, Pahang	1	7.30 a.m – 11.00 p.m
	Alor Setar, Kedah	1	7.30 a.m – 11.00 p.m
	Kangar, Perlis	1	7.30 a.m – 11.00 p.m
	Bandar Melaka, Melaka	2	5.30 a.m – 9.00 p.m
	Kota Bharu, Kelantan	1	7.30 a.m – 11.00 p.m
	Masjid Tanah, Melaka	1	8.30 a.m – 9.45 p.m
	Dungun, Terengganu	1	8.00 a.m – 10.00 p.m
	Paka, Terengganu	1	8.30 a.m – 10.00 p.m
	Gemenceh, Negeri Sembilan	1	8.00 a.m – 10.00 p.m
	Nilai, Negeri Sembilan	1	8.00 a.m – 6.00 p.m
Batu Anam, Negeri Sembilan	1	8.00 a.m – 6.00 p.m	
		<u>23</u>	

## 4. INFORMATION ON OUR GROUP (CONT'D)

Name of company	City / State	No. of counters *	Operating hours
Transnasional	Perlis	2	} } } } <i>Operating hours for</i> } <i>Self-Operated</i> } <i>Counters are from</i> } <i>7 a.m. to 12 p.m.</i> } <i>whereas for Agent-</i> } <i>Operated Counters</i> } <i>are from</i> } <i>8 a.m. to 8 p.m.</i> } }
	Kedah	12	
	Penang	13	
	Perak	24	
	Klang Valley	61	
	Negeri Sembilan	7	
	Melaka	3	
	Johor	18	
	Pahang	13	
	Terengganu	14	
	Kelantan	33	
	Singapore	1	
		201	
SKMK	Kota Bharu, Kelantan	2	6.00 a.m – 11.00 p.m
	Langgar, Kelantan	1	7.00 a.m – 9.00 p.m
	Kubang Kerian, Kelantan	1	8.00 a.m – 8.00 p.m
	Bachok, Kelantan	3	7.00 a.m – 9.00 p.m
	Pasir Puteh, Kelantan	1	8.00 a.m – 8.00 p.m
	Machang, Kelantan	1	8.00 a.m – 8.00 p.m
	Kuala Krai, Kelantan	1	8.00 a.m – 6.00 p.m
	Tanah Merah, Kelantan	1	8.00 a.m – 9.00 p.m
	Tumpat, Kelantan	3	8.00 a.m – 6.00 p.m
	Pasir Mas, Kelantan	3	8.00 a.m – 8.00 p.m
	Jerteh, Kelantan	3	8.00 a.m – 8.00 p.m
	Jeli, Kelantan	1	8.00 a.m – 6.00 p.m
		21	
Keramat	Temerloh, Pahang	1	7.30 a.m – 10.00 p.m
	Kuala Lipis, Pahang	1	7.30 a.m – 7.00 p.m
	Bandar Jerantut, Pahang	1	7.30 a.m – 7.00 p.m
		3	
Park May Group	Kuala Lumpur	3	7.00 a.m – 1.00 a.m
	Penang	3	8.00 a.m – 12.00 p.m
	Perlis	3	8.00 a.m – 9.30 p.m
	Kedah	6	8.00 a.m – 10.00 p.m
	Perak	7	4.00 a.m – 9.00 p.m
	N.Sembilan	1	8.00 a.m – 11.00 p.m
	Pahang	1	4.00 a.m – 1.00 a.m
	Johor	2	8.00 a.m – 11.00 p.m
	Singapore	1	7.00 a.m – 12.00 a.m
		27	

\* *inclusive of Self-Operated Counters and Agent-Operated Counters*

It can be said that our Group has an extensive network of tickets counters covering almost the whole of Peninsular Malaysia, providing customer with easy access for purchase of tickets for our express bus services.

However, we are not unduly dependent upon any individual ticket counter. To the best of our knowledge and belief, there is no breach of any law, rules and building regulations in relation to the use of the ticket counters.

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**4. INFORMATION ON OUR GROUP (CONT'D)**

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**4.4.16 Competitive Strength**

Our competitive strengths lie in the wide range of services that we offer as disclosed in Section 4.4.1 of this Prospectus, our dominant market share and position as disclosed in Section 4.4.5 of this Prospectus as well as the quality of our services as disclosed in Section 4.4.9 of this Prospectus.

**4.4.17 Location Of Business**

**(i) Principal Place Of Business**

Our principal place of business is at No. 38, Jalan Chow Kit, 50350 Kuala Lumpur.

**(ii) Principal Assets**

Details of our buses and our land and buildings, including bus depots, are set out in Sections 4.4.1 and 8.1 of this Prospectus respectively.

**(iii) Marketing And Distribution Network**

The details of our ticket counters are set out in Section 4.4.15 of this Prospectus.

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