

**KONSORTIUM TRANSNASIONAL BERHAD(617580-T)****(Incorporated in Malaysia)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FORTH QUARTER  
ENDED 31 DECEMBER 2016****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM' 000	RM' 000	RM' 000	RM' 000
<b>Revenue</b>	<b>42,397</b>	<b>49,826</b>	<b>172,228</b>	<b>179,512</b>
Cost of sales	(52,344)	(54,910)	(173,733)	(174,221)
<b>Gross profit</b>	<b>(9,947)</b>	<b>(5,084)</b>	<b>(1,505)</b>	<b>5,291</b>
Other income	17,620	16,821	41,010	47,049
Other operating expenses	(5,033)	(10,722)	(34,119)	(45,670)
<b>(Loss)/Profit from operations</b>	<b>2,640</b>	<b>1,015</b>	<b>5,386</b>	<b>6,670</b>
Finance costs	(4,814)	(1,079)	(12,723)	(4,889)
<b>(Loss)/Profit before tax</b>	<b>(2,174)</b>	<b>(64)</b>	<b>(7,337)</b>	<b>1,781</b>
Income tax expense	(15,570)	(496)	(15,791)	(548)
<b>(Loss)/Profit for the period</b>	<b>(17,744)</b>	<b>(560)</b>	<b>(23,128)</b>	<b>1,233</b>
<b>(Loss)/Profit attributable to:</b>				
Equity holders of the Parent	(17,744)	(560)	(23,128)	1,233
Non-Controlling Interest	-	-	-	-
	<b>(17,744)</b>	<b>(560)</b>	<b>(23,128)</b>	<b>1,233</b>
<b>(Loss)/Earnings per share(EPS) attributable to owners of the Company(sen per share):</b>				
Basic (sen)	(4.41)	(0.14)	(5.74)	0.31
Diluted (sen)	N/A	N/A	N/A	N/A

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(The figures have not been audited)(cont'd)

	Individual Quarter		Cumulative Quarter	
	31/12/2016 RM' 000	31/12/2015 RM' 000	31/12/2016 RM' 000	31/12/2015 RM' 000
(Loss)/Profit for the period	(17,744)	(560)	(23,128)	1,233
Other comprehensive income:				
Actuarial gains on defined benefit obligation	-	-	-	557
Credit arising from disposal of investment property	1,437	-	1,437	-
<b>Total comprehensive (loss)/income for the period</b>	<b><u>(16,307)</u></b>	<b><u>(560)</u></b>	<b><u>(21,691)</u></b>	<b><u>1,790</u></b>
<b>Total comprehensive (loss)/income:</b>				
Equity holders of the Parent	(16,307)	(560)	(21,691)	1,790
Non-Controlling Interest	-	-	-	-
	<b><u>(16,307)</u></b>	<b><u>(560)</u></b>	<b><u>(21,691)</u></b>	<b><u>1,790</u></b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**KONSORTIUM TRANSNASIONAL BERHAD(617580-T)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	260,540	250,067
Investment properties	92	149
Other investment	186	186
Goodwill on consolidation	86,592	86,592
Deferred tax assets	2,140	5,121
	<u>349,550</u>	<u>342,115</u>
<b>Current assets</b>		
Trade and other receivables	37,265	40,407
Amount due from related companies	40,686	34,030
Tax recoverable	792	294
Cash and bank balances	5,741	6,708
	<u>84,484</u>	<u>81,439</u>
<b>TOTAL ASSETS</b>	<b><u>434,034</u></b>	<b><u>423,554</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short term borrowings	35,544	44,359
Trade and other payables	99,916	74,906
Amount due to related companies	74,767	52,892
Current tax payables	2,657	3,423
Provision for retirement benefits	885	817
	<u>213,769</u>	<u>176,397</u>
<b>Net current liabilities</b>	<b>(129,285)</b>	<b>(94,958)</b>
<b>Non-current liabilities</b>		
Long term borrowings	76,728	94,408
Provision for retirement benefits	8,905	9,016
Deferred tax liabilities	25,720	13,130
	<u>111,353</u>	<u>116,554</u>
<b>Total liabilities</b>	<b>325,122</b>	<b>292,951</b>
<b>Net assets</b>	<b>108,912</b>	<b>130,603</b>
<b>Equity attributable to equity holders of parents</b>		
Share capital	40,280	40,280
Share premium	7,511	7,511
Reserves		
Capital reserve	23,563	23,563
Other reserves	(95)	(95)
Retained earnings	88,448	111,576
Merger deficit	(52,991)	(54,428)
Shareholders' equity	<u>106,716</u>	<u>128,407</u>
Non-controlling interest	2,196	2,196
<b>Total equity</b>	<b><u>108,912</u></b>	<b><u>130,603</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>434,034</u></b>	<b><u>423,554</u></b>
<b>Net assets per share attributable to ordinary equity holders of the Company(RM)</b>	<b>0.27</b>	<b>0.32</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Parent →						Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Other Reserve RM'000	Distributable Retained Earnings/ (Accumulated Losses) RM'000			
<b>At 1 January 2016</b>	40,280	7,511	23,563	(54,428)	(95)	111,576	128,407	2,196	130,603
Par value reduction	-								
<b>Loss for the period</b>	-	-	-	-	-	(23,128)	(23,128)	-	(23,128)
<b>Other comprehensive income for the financial year</b>	-	-	-	1,437	-	-	1,437	-	1,437
Total comprehensive (loss)/income	-	-	-	1,437	-	(23,128)	(21,691)	-	(21,691)
<b>At 31 December 2016</b>	<u>40,280</u>	<u>7,511</u>	<u>23,563</u>	<u>(52,991)</u>	<u>(95)</u>	<u>88,448</u>	<u>106,716</u>	<u>2,196</u>	<u>108,912</u>
<b>At 1 January 2015</b>	201,399	7,511	23,563	(54,428)	(137)	(51,291)	126,617	2,196	128,813
Par value Reduction	(161,119)	-	-	-	-	161,119	-	-	-
<b>Profit for the financial year</b>	-	-	-	-	-	1,233	1,233	-	1,233
<b>Other comprehensive income for the financial year</b>	-	-	-	-	-	557	557	-	557
Total comprehensive income	-	-	-	-	-	1,790	1,790	-	1,790
<b>At 31 December 2015</b>	<u>201,399</u>	<u>7,511</u>	<u>23,563</u>	<u>(54,428)</u>	<u>(137)</u>	<u>(49,501)</u>	<u>128,407</u>	<u>2,196</u>	<u>130,603</u>

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Report for year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**KONSORTIUM TRANSNASIONAL BERHAD(617580-T)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Unaudited</b>	
	<b>12 months ended</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(7,337)	1,781
Adjustments for:		
Depreciation of property, plant and equipment	42,709	36,614
Amortisation of investment property	57	17
Provision for retirement benefits	171	(131)
Impairment loss on receivables, net of reversal	14	2,055
Gain on disposal of property, plant and equipment	(2,852)	(1,274)
Interest income	(1)	(5)
Dividend income	-	(6)
Interest expense	10,677	4,889
Operating profit before working capital changes	<u>43,438</u>	<u>43,940</u>
Decrease in inventories	-	506
Decrease/(Increase) in receivables	3,128	(18,226)
Increase/(Decrease) in payables	25,010	(41,620)
Changes in related companies balances	16,657	17,631
Cash generated from operations	<u>88,233</u>	<u>2,231</u>
Tax (paid)/refund	(1,483)	424
Interest paid	(10,677)	(4,889)
Retirement benefits paid	(214)	(1,072)
Net cash generated from/(used in) operating activities	<u>75,859</u>	<u>(3,306)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(59,207)	(23,122)
Proceeds from disposal of property, plant and equipment	8,876	7,014
Dividend received	-	6
Interest received	-	5
Net cash used in investing activities	<u>(50,331)</u>	<u>(16,097)</u>
<b>Cash flows from financing activities</b>		
Net (repayment)/drawdown of borrowings	(26,495)	24,364
Net cash (used in)/generated from financing activities	<u>(26,495)</u>	<u>24,364</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(967)</b>	<b>4,961</b>
Effects of foreign exchange rate changes	-	42
Net fair value changes in available-for-sale(AFS) financial assets	-	4
<b>Cash and cash equivalents as at 1 January 2016/2015</b>	<u>6,708</u>	<u>1,701</u>
<b>Cash and cash equivalents as at 31 December 2016/2015</b>	<u><b>5,741</b></u>	<u><b>6,708</b></u>
The cash and cash equivalents at the end of the financial period comprise the following balance sheet components :		
Fixed deposits with licensed bank	3,365	3,340
Cash and bank balances	<u>2,376</u>	<u>3,368</u>
	<u><b>5,741</b></u>	<u><b>6,708</b></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

## **1 FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS(MFRS)**

These condensed consolidated interim financial statements, for the period ended 30 September 2016 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Certain financial instruments have been carried at fair value in accordance to Malaysian Financial Reporting Standard (MFRS)139 Financial Instruments:Recognition and Measurement, and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 Employee Benefits. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2015.

## **2 CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2015 except with the adoption of Amendments to Standards and Issue Committee(IC) Interpretations effective as of 1 January 2016.

### **Adoption of Amendments to Standards and IC Interpretations**

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2016.

Amendments to MFRS 5	Non-currents Assets Held for Sale and Discontinued Operations (Annual Improvement 2012-2014 Cycle)
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvement 2012-2014 Cycle)
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities - Applying the Consolidation Exception
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative
Amendments to MFRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and amortisation
Amendments to MFRS 119	Employee Benefits (Annual Improvement 2012-2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements: Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvement 2012-2014 Cycle)

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

## **3 QUALIFICATION OF AUDIT REPORT OF THE PRECEEDING ANNUAL FINANCIAL STATEMENT**

The audit report on the Group's financial statements for the financial year ended 31 December 2015 was not qualified.

#### 4 SEASONAL OR CYCLICAL FACTORS

The Group's operations are not subject to any significant seasonal or cyclical factors.

#### 5 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence in the current period.

#### 6 MATERIAL CHANGES IN ESTIMATES USED

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

#### 7 DEBT AND EQUITY SECURITIES

The Company did not undertake any issuance and/ or repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current quarter ended 31 December 2016.

#### 8 DIVIDEND

The Directors do not recommend any interim dividend on ordinary shares of RM0.10 each for the current financial year ended 31 December 2016 (2015: Nil)

#### 9 SEGMENT INFORMATION FOR THE CURRENT FINANCIAL PERIOD

(a) Primary reporting format-by product and services

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Quarter 31/12/2015 RM'000	Twelve months to 31/12/2016 RM'000	Twelve months to 31/12/2015 RM'000
<b>Revenue</b>				
Public transportation services	42,274	48,642	171,765	176,865
Others	123	1,184	463	2,647
Total	<u>42,397</u>	<u>49,826</u>	<u>172,228</u>	<u>179,512</u>
<b>(Loss)/Profit before tax</b>				
Public transportation services	(2,094)	(70)	(7,177)	1,704
Others	(80)	6	(160)	77
Total	<u>(2,174)</u>	<u>(64)</u>	<u>(7,337)</u>	<u>1,781</u>

## 10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment used in the condensed financial statements have been brought forward without amendment from the previous financial statements.

## 11 CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group arising from business combination, acquisition or disposal of subsidiary companies and long term investment for the current quarter.

## 12 CHANGES IN CONTINGENT LIABILITIES

The Group have contingent liabilities by giving Corporate Guarantee on behalf of subsidiary companies amounting to RM90,688,789 as at the date of this announcement.

## 13 CAPITAL COMMITMENTS

There are no material capital commitments.

## 14 PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Quarter 31/12/2015 RM'000	Twelve months to 31/12/2016 RM'000	Twelve months to 31/12/2015 RM'000
Interest income	1	5	1	5
Other income	17,620	16,821	41,010	47,049
Interest expense	(4,814)	(1,079)	(12,723)	(4,889)
Depreciation and amortisation	(10,241)	(8,913)	(42,652)	(36,597)
Gain on disposal of property, plant and equipment	3,570	591	2,852	1,274
Impairment loss on receivables	(14)	(2,055)	(14)	(2,055)
Gain on translation of foreign exchange	-	302	30	302



## 15 INCOME TAX EXPENSE

Taxation includes:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Quarter 31/12/2015 RM'000	Twelve months to 31/12/2016 RM'000	Twelve months to 31/12/2015 RM'000
Malaysian taxation:				
- Current taxation	15,570	496	15,791	548
- Under/(Over) provision in prior years	-	-	-	-
	<u>15,570</u>	<u>496</u>	<u>15,791</u>	<u>548</u>

## 16 RELATED PARTY TRANSACTIONS

The following expenses are related party transactions:-

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Quarter 31/12/2015 RM'000	Twelve months to 31/12/2016 RM'000	Twelve months to 31/12/2015 RM'000
<b>Penultimate holding company</b>				
- Secretarial services	41	36	153	144
<b>Immediate holding company</b>				
- Rental of premises	388	217	780	769
<b>Related companies</b>				
- Rental of buses	147	144	311	451
- Rental of workshop/depo	92	115	369	261
- Bus repair services	401	2,786	8,224	5,793
- Purchase of spare parts	6	75	7	75
- Purchase of tyres	597	1,739	4,756	3,122
- Purchase of C&G	4	-	11	152
- Sales of tyres	-	-	-	32
- Security services	525	496	1,957	1,284
- Bus insurance services	4	6	15	13
- E-ticketing system maintenance	326	473	1,543	1,849
- Purchase of uniforms	7	123	85	123
-Workshop Repair & Maintenance	150	-	300	-

The directors are of the opinion that all the transactions above transactions have been entered into the normal course of business and have been established on negotiated terms which the directors are satisfied as not being detrimental to the Group and the Company.

## 17 DISPOSAL OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES

There was no disposal of unquoted investments and/ or properties in the current period.

## 18 STATUS OF CORPORATE PROPOSALS ANNOUNCES BUT NOT COMPLETED AS AT THE DATE OF THIS ANNOUNCEMENT

(a) On 19 September 2014, the Group announced multiple corporate proposal:

- (i) Proposed capital reduction of the issued and paid-up share capital of KTB pursuant to Section 64 of the Companies Act, 1965, involving the cancellation of RM0.40 of the par value of each ordinary share of RM0.50 each in KTB ("Proposed Capital Reduction");
- (ii) Proposed renounceable rights issue of 604,196,022 new ordinary shares of RM0.10 each in KTB ("Rights Share(s)") on the basis of three (3) Rights Shares for every two (2) ordinary shares of RM0.10 each in KTB held on an entitlement date to be determined later after the completion of the Proposed Capital Reduction ("Proposed Rights Issue"); and
- (iii) Proposed amendment to the Memorandum of Association of KTB;

On 9 January 2015, Bursa Malaysia Securities Berhad ("Bursa Malaysia") has approved the listing and quotation of 604,196,022 new KTB Shares to be issued pursuant to the Proposed Rights Issue, subject to the following conditions:

- (i) KTB and MIDF Investment must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Malaysia pertaining to the implementation of the Proposed Rights Issue, Proposed Capital Reduction and Proposed MA Amendment;
- (ii) KTB and MIDF Investment to inform Bursa Securities upon the completion of the Proposed Rights Issue, Proposed Capital Reduction and Proposed MA Amendment;
- (iii) KTB to furnish Bursa Malaysia with a written confirmation of its compliance with the terms and conditions of Bursa Malaysia' approval once the Proposed Rights Issue, Proposed Capital Reduction and Proposed MA Amendment is completed;
- (iv) Certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposed Rights Issue, Proposed Capital Reduction and Proposed MA Amendment; and
- (v) To incorporate the comments from Bursa Securities in respect of the draft circular to shareholders.

On 16 January 2015, all the resolutions as set out in the Notice of Extraordinary General Meeting ("EGM") dated 16 January 2015 and tabled at the EGM were duly passed by the shareholders of the Company.

On 1 April 2015, the High Court of Malaya at Kuala Lumpur has granted an order confirming the Proposed Capital Reduction pursuant to Section 64 of the Companies Act, 1965 ("Court Order"). The seal order had been lodged with the Companies Commission of Malaysia on 13 April 2015. Hence the Proposed Capital Reduction is deemed completed on 13 April 2015. Pursuant to the completion of the Proposed Capital Reduction, the par value of each existing ordinary shares in KTB has been reduced from RM0.50 to RM0.10 each.

On 23 December 2015, Bursa Malaysia had approved KTB's application for an extension of time of 6 months from 8 January 2016 to 7 July 2016 to complete the right issue exercise.

An announcement was made on 13 May 2016 to inform that the Board of Directors has resolved not to proceed with the Proposed Rights Issue due to unfavourable market conditions which are not conducive for the implementation of the Proposed Rights Issue.

**18 STATUS OF CORPORATE PROPOSALS ANNOUNCES BUT NOT COMPLETED AS AT THE DATE OF THIS ANNOUNCEMENT (cont'd)**

- (b) On 21 October 2016, Jelebu Holdings Sdn Bhd ("JH") a wholly-owned subsidiary of TransnasionaI Express Sdn Bhd (TESB) entered into a Sale and Purchase Agreement ("SPA") with MHSB Development Sdn Bhd ("Purchaser") for the disposal of two contiguous plots of industrial land with a double-storey office building and an open sided workshop with a postal address of P.T. No. 3988 & P.T. No. 3989, Jalan Haruan 1/13, Oakland Industrial Park, 70300 Seremban, Negeri Sembilan measuring approximately 7,149 square metres held under H.S.D. 67261 and H.S.D. 67262, P.T. No. 3988 and P.T. No. 3989, Mukim of Rasah, District of Seremban, Negeri Sembilan ("Property") for a total cash consideration of Ringgit Malaysia Three Million Seven Hundred and Fifty Thousand (RM3,750,000.00) only ("Disposal") which is a related party transaction.

The total cash consideration of RM3,750,000.00 under the SPA shall be paid in the following manner:-

- (i) a 10% deposit of RM375,000.00 upon execution of the SPA; and
- (ii) the balance sum amounting to RM3,375,000.00 within three (3) months from the date of the SPA ("Completion Date"), failing which JH shall automatically grant to the Purchaser an extension of one (1) month to pay the balance sum. In consideration of such extension, the Purchaser shall pay to JH interest at the rate of 8.0% per annum on the balance sum calculated daily from the expiry of the last day of the Completion Date.

The total cash consideration of the disposal was arrived on a willing buyer willing seller basis after taking into consideration the valuation by an independent valuer. The market value of the Property is RM3,700,000.00 as appraised by Messrs. Jordan Lee & Jaafar, a registered independent valuer on 11 August 2016. The combination of comparison and cost methods were applied for the said valuation.

The Property is a freehold land and the Property is free from encumbrances and is currently used as a workshop.

The Disposal has been completed during the financial year.

## 19 BORROWINGS AND DEBTS SECURITIES

Total Group borrowings as at 31 December 2016 are as follows:

	31/12/2016 RM'000	31/12/2015 RM'000
<b>Current</b>		
Secured		
- Finance Lease	14,144	22,959
- Term Loan	14,400	14,400
- Revolving Credit	7,000	7,000
	<u>35,544</u>	<u>44,359</u>
<b>Non-Current</b>		
Secured		
- Finance Lease	32,802	38,956
- Term Loan	43,926	55,452
	<u>76,728</u>	<u>94,408</u>
<b>Total Borrowings</b>		
Secured		
- Finance Lease	46,946	61,915
- Term Loan	58,326	69,852
- Revolving Credit	7,000	7,000
	<u>112,272</u>	<u>138,767</u>

## 20 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

## **21 CHANGES IN MATERIAL LITIGATION**

Siana Corporation Sdn Bhd (“Siana”), a subsidiary of Park May Berhad (“PMB”) had on 17 April 2007 been served with a Writ of Summons and Statement of Claim by Exing (M) Sdn Bhd (in liquidation) (“Exing”) for an alleged breach of contract. Siana had filed its defence on 27 September 2007.

Judgement in default obtained by Exing dated 18 July 2007 has been set aside by the court and Siana has also filed its application for security for cost on 25 May 2009, and that the court had on 17 May 2010 duly allowed the said application in favour of Siana. The court has also fixed the date for the trial of the case on 2nd, 3rd and 4th April 2012. The trial was subsequently adjourned as Exing wanted to amend its statement of claim. The court subsequently rejected Exing's application to amend its statement of claim and Exing plan to appeal to the Court of Appeal against the decision of the High Court in rejecting their application to amend their statement of claim. Exing subsequently withdrew their appeal on 7 March 2013. The hearing of the case had commenced on 26th November 2013 and the continued hearing of the case has been fixed on 27th May 2014, 5th June 2014 and 6th June 2014.

The High Court had on 31 December 2014, allowed Exing's claim for RM4,928,885.31 with interest at 5% per annum commencing from 12 March 2007 until date of full payment and cost of RM30,000. The high court had dismissed Siana's counterclaim. Siana had on 29 January 2015, filed an appeal to the Court of Appeal against the decision of the High Court dated 31 December 2014. The Court of Appeal has fixed the case for Case Management on 29 May 2015.

Exing had on 12 May 2015, served its Section 218 Notice against Siana to demand for the payment of the judgement sum as awarded by the High Court. Pursuant to the said Notice, Siana had filed in an application for an injunction as well as a stay of execution on 25 May 2015. High Court on 16 June 2015, dismissed the said application as the prior leave of the winding up court has not been obtained for the said application. Siana will be filing again for the application for injunction and stay of execution to the High Court.

Exing had on 4 August 2015, filed an application to strike out Siana's appeal to the Court of Appeal. The Court of Appeal on 23 September 2015 struck out Siana's Notice of Appeal as the consent of the winding up court has not been obtained prior to the filing of the appeal. Siana had on 28 October 2015, filed an application to get the consent from the winding up Court for the purpose of re-filing the appeal and the application for injunction and stay of execution.

The hearing for Siana's application for the re-filing of the appeal has been fixed for hearing on 17 May 2016 which was deferred to 19 May 2016. On 19 May 2016, the Court of Appeal has rejected Siana's application for the re-filing of the appeal.

## **22 COMPARISON BETWEEN THE CURRENT QUARTER AND THE IMMEDIATE PRECEDING QUARTER**

The Group has recorded a lower revenue of RM42.4 million for the current quarter as compared to RM42.8 million in the immediate preceding quarter.

The Group recorded loss before tax of RM2.2 million as compared to loss before tax of RM2.0 million in the immediate preceding quarter.

## **23 REVIEW OF PERFORMANCE OF THE GROUP**

For current quarter under review, the Group recorded lower revenue of RM42.4 million for the period ended 31 December 2016 as compared to RM49.8 million in the same cumulative quarter for the period ended 31 December 2015.

The Group recorded a loss before tax of RM2.2 million for the period ended 31 December 2016 as compared to loss before tax of RM0.1 million in the period ended 31 December 2015. The unfavorable variance is attributable to lower government contribution and higher finance cost.

## 24 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Malaysian economy expanded by 4.5% in the fourth quarter of 2016 (3Q 2016: 4.3%), underpinned mainly by continued expansion in private sector expenditure. On the supply side, growth continues to be driven by the manufacturing and services sectors. Overall, domestic demand expanded at a more moderate pace, as the improvement in private consumption and investment activity was more than offset by the decline in public expenditure. In the fourth quarter, private consumption grew by 6.2% (3Q 2016: 6.4%), supported by continued wage and employment growth. Growth of public investment improved mainly on account of higher spending on fixed assets by public corporations, but nevertheless, remained in contraction during the quarter. Public consumption declined by 4.2% (3Q 2016: +2.2%) arising from the rationalisation of spending on supplies and services and a moderation in the growth of spending on emoluments. (Source:BNM).

The transportation sector is highly sensitive to the fluctuation of the operational costs such as fuel, tyres and spare parts. The Group will continue with its effort to maintain its quality market share and reduce costs.

## 25 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast or guarantee was issued by the Group.

## 26 EARNINGS PER SHARE ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2016	Preceding year corresponding quarter 31/12/2015	To Date 31/12/2016	To Date 31/12/2015
<b>(a) Basic</b>				
(Loss)/Profit attributable to equity holders of parent (RM'000)	(17,744)	(560)	(23,128)	1,233
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
(Loss)/Earnings per share (sen)	(4.41)	(0.14)	(5.74)	0.31

### (b) Diluted

The basic and diluted loss per ordinary share is the same as the Group has no dilutive potential ordinary shares.

## 27 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)

The breakdowns of the retained earnings of the Group as at 31 December 2016 and 31 December 2015 into realised and unrealised loss are as follows:

	31/12/2016 RM'000	31/12/2015 RM'000
Total retained earnings of the Company and its subsidiaries		
-Realised	(214,030)	(171,516)
-Unrealised	23,580	8,009
	<u>(190,450)</u>	<u>(163,507)</u>
Add: Consolidation adjustment	278,898	275,083
Retained earnings as per financial statements	<u>88,448</u>	<u>111,576</u>

**28 AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2017.

**By Order of the Board**

**TIFLA HAIRI TAIB(LS0008017)**

Secretary

**Kuala Lumpur**