BRIGHT FOCUS BERHAD

(Incorporated in Malaysia)

Company No: 223607 - M

FINANCIAL REPORT
for the financial year ended 31 December 2015

Contents

BRIGHT FOCUS BERHAD
(Incorporated in Malaysia)
Company No: 223607 - M

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to the subsidiary.

The subsidiary is a single purpose company which has been awarded a concession of a highway project. In accordance with the terms of the Concession Agreement, the principal activities of the subsidiary are:

(a) to design and construct 26 kilometres of the highway traversing from Kuala Lumpur to Putrajaya ("Highway");

(b) to provide other highway related facilities and services; and

(c) to operate and maintain the Highway and to collect toll for its own benefit during the concession period.

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	26,015,632	3,710,655
Attributable to:-		
Owners of the Company	25,774,038	3,710,655
Non-controlling interests	241,594	-
	26,015,632	3,710,655

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the statements of changes in equity and Note 25 to the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require further writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. The financial statements of the Group are prepared on the basis of accounting principles applicable to a going concern as the holding company has indicated its willingness to provide financial support to the Group to enable it to operate as a going concern in the foreseeable future.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 33 to the financial statements. At the date of this report, there does not exist:

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

HOLDING COMPANY

The holding company is Maju Holdings Sdn. Bhd., a company incorporated in Malaysia.

DIRECTORS

The directors who served since the date of the last report are as follows:

Tan Sri Abu Sahid Bin Mohamed
Mohd Faiq Bin Abu Sahid (Appointed on 10.8.2015)
Ong Wann Yi (Resigned on 18.9.2015)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	Number Of Ordinary Shares Of RM1 Each			
	At 1.1.2015	Bought	Sold	At 31.12.2015
Holding Company - Maju Holdings Sdn. Bhd.				
Direct Interests				
Tan Sri Abu Sahid Bin Mohamed	91,000,000	-	-	91,000,000

By virtue of his shareholdings in the holding company, Tan Sri Abu Sahid Bin Mohamed is deemed to has interests in shares in the Company and its related corporations during the financial year to the extent of the holding company's interests, in accordance with Section 6A of the Companies Act 1965.

The other director holding office at the end of the financial year did not have any interests in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 31 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 15 JUN 2016

Tan Sri Abu Sahid Bin Mohamed

Mohd Faiq Bin Abu Sahid

BRIGHT FOCUS BERHAD
(Incorporated in Malaysia)
Company No: 223607 - M

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Tan Sri Abu Sahid Bin Mohamed and Mohd Faiq Bin Abu Sahid being the two directors of Bright Focus Berhad, state that, in our opinion, the financial statements set out on pages 10 to 78 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 15 JUN 2016

Tan Sri Abu Sahid Bin Mohamed

Mohd Faiq Bin Abu Sahid

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Boon Joon Siang, I/C No. 710325-01-5339 being the officer primarily responsible for the financial management of Bright Focus Berhad, do solemnly and sincerely declare that the financial statements set out on pages 10 to 78 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Boon Joon Siang,
I/C No. 710325-01-5339,
at Kuala Lumpur in the Federal Territory
on this

15 JUN 2016

PESURUHJAYA SUMPAH
No: W465
Nama: KAPT. (B) JASNI BIN YUSOFF
MALAYSIA

Before me

Boon Joon Siang

Lot 1.08, Tingkat 1,
Bangunan KWSP, Jln Raja Laut,
50350 Kuala Lumpur.
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Crowe Horwath™

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGHT FOCUS BERHAD
(Incorporated in Malaysia)
Company No: 223607 - M

Report on the Financial Statements

We have audited the financial statements of Bright Focus Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 78.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGHT FOCUS BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 223607 - M

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit report on the financial statements of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No: 02760/06/2018 (J)
Chartered Accountant

15 JUN 2016

Kuala Lumpur

BRIGHT FOCUS BERHAD
(Incorporated in Malaysia)
Company No: 223607 - M

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2015

		The Group		The Company	
		2015	**2014**	**2015**	**2014**
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment in a subsidiary	6	-	-	56,100,000	56,100,000
Equipment	7	3,984,621	2,033,101	-	-
Concession assets	8	1,445,896,770	1,402,144,807	-	-
Other investment	9	-	-	548,830,144	609,380,808
		1,449,881,391	1,404,177,908	604,930,144	665,480,808
CURRENT ASSETS					
Inventories and consumables	10	83,325	62,018	-	-
Trade and other receivables	11	144,711,945	162,549,924	8,185	19,738
Amount due from holding company	12	408,218,468	389,905,178	448,351,655	430,023,264
Amount due from a subsidiary	13	-	-	122,466,359	74,994,503
Amount due from related companies	14	251,552	-	-	-
Current tax asset		25,542	52,074	-	52,074
Short-term investments	15	134,988,083	135,209,921	118,602,490	114,865,473
Deposits with licensed banks	16	8,348,874	10,522,856	91,677	88,825
Cash and bank balances	17	3,821,217	27,692,644	46,174	171,732
		700,449,006	725,994,615	689,566,540	620,215,609
TOTAL ASSETS		2,150,330,397	2,130,172,523	1,294,496,684	1,285,696,417

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2015 (CONT'D)

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	58,100,000	58,100,000	58,100,000	58,100,000
Accumulated losses		(72,649,352)	(98,423,390)	2,970,442	(740,213)
Equity attributable to owners of the Company		(14,549,352)	(40,323,390)	61,070,442	57,359,787
Non-controlling interests		1,602,057	1,360,463	-	-
TOTAL EQUITY		(12,947,295)	(38,962,927)	61,070,442	57,359,787
NON-CURRENT LIABILITIES					
Long-term borrowings	19	1,187,000,594	1,201,594,746	1,185,710,301	1,200,623,196
Deferred revenue	22	913,493,273	924,832,235	-	-
		2,100,493,867	2,126,426,981	1,185,710,301	1,200,623,196
CURRENT LIABILITIES					
Other payables and accruals	23	42,445,423	42,447,024	27,715,941	27,713,434
Short-term borrowings	19	20,338,402	261,445	20,000,000	-
		62,783,825	42,708,469	47,715,941	27,713,434
TOTAL LIABILITIES		2,163,277,692	2,169,135,450	1,233,426,242	1,228,336,630
TOTAL EQUITY AND LIABILITIES		2,150,330,397	2,130,172,523	1,294,496,684	1,285,696,417

The annexed notes form an integral part of these financial statements.

BRIGHT FOCUS BERHAD
(Incorporated in Malaysia)
Company No: 223607 - M

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
REVENUE	24	105,569,204	108,203,015	-	-
COST OF SALES		(32,257,142)	(32,416,289)	-	-
GROSS PROFIT		73,312,062	75,786,726	-	-
OTHER INCOME		34,412,401	32,461,872	82,620,814	79,037,391
		107,724,463	108,248,598	82,620,814	79,037,391
ADMINISTRATIVE EXPENSES		(11,040,516)	(9,730,432)	(69,080)	(149,792)
OTHER EXPENSE		(436,337)	(237,746)	-	-
FINANCE COSTS		(70,233,068)	(167,601,048)	(78,841,079)	(78,431,974)
PROFIT/(LOSS) BEFORE TAXATION	25	26,014,542	(69,320,628)	3,710,655	455,625
INCOME TAX EXPENSE	27	1,090	(18,492)	-	32,338
PROFIT/(LOSS) AFTER TAXATION		26,015,632	(69,339,120)	3,710,655	487,963
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		26,015,632	(69,339,120)	3,710,655	487,963

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		The Group		The Company	
		2015	**2014**	**2015**	**2014**
	Note	RM	RM	RM	RM
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		25,774,038	(69,748,445)	3,710,655	487,963
Non-controlling interests		241,594	409,325	-	-
		26,015,632	(69,339,120)	3,710,655	487,963
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		25,774,038	(69,748,445)	3,710,655	487,963
Non-controlling interests		241,594	409,325	-	-
		26,015,632	(69,339,120)	3,710,655	487,963

BRIGHT FOCUS BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Group	Share Capital RM	Accumulated Losses RM	Attributable To Owners Of The Company RM	Non-Controlling Interests RM	Total Equity RM
Balance at 1.1.2014	58,100,000	(28,674,945)	29,425,055	951,138	30,376,193
Loss after taxation/Total comprehensive expenses for the financial year	-	(69,748,445)	(69,748,445)	409,325	(69,339,120)
Balance at 31.12.2014/1.1.2015	58,100,000	(98,423,390)	(40,323,390)	1,360,463	(38,962,927)
Profit after taxation/Total comprehensive income for the financial year	-	25,774,038	25,774,038	241,594	26,015,632
Balance at 31.12.2015	58,100,000	(72,649,352)	(14,549,352)	1,602,057	(12,947,295)

The Company	Share Capital RM	Accumulated Losses RM	Total Equity RM
Balance at 1.1.2014	58,100,000	(1,228,176)	56,871,824
Profit after taxation/Total comprehensive income for the financial year	-	487,963	487,963
Balance at 31.12.2014/1.1.2015	58,100,000	(740,213)	57,359,787
Profit after taxation/Total comprehensive income for the financial year	-	3,710,655	3,710,655
Balance at 31.12.2015	58,100,000	2,970,442	61,070,442

BRIGHT FOCUS BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		26,014,542	(69,320,628)	3,710,655	455,625
Adjustments for:-					
Amortisation of concession assets	8	16,141,718	16,866,020	-	-
Bad debts written off		1,187	-	-	-
Depreciation of equipment	7	801,766	514,685	-	-
Equipment written off		1,475	621	-	-
Interest expense		70,233,068	167,601,048	78,841,079	78,431,974
Government funding recognised	19	(11,338,962)	(11,847,760)	-	-
Interest income		(23,061,727)	(20,612,912)	(82,620,814)	(79,037,391)
Gain on disposal of equipment		(11,712)	(1,200)	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES/BALANCE CARRIED FORWARD		78,781,355	83,199,874	(69,080)	(149,792)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
BALANCE BROUGHT FORWARD		78,781,355	83,199,874	(69,080)	(149,792)
Changes in Working Capital:					
Receivables		(21,271,880)	(44,256,061)	11,553	95,790
Inventories and consumables		(21,307)	(10,194)	-	-
Payables		(1,601)	(26,605,639)	2,507	(26,699,671)
Holding company		(18,313,290)	(170,084,450)	(18,328,391)	(169,964,775)
Subsidiary		-	-	(31,834,087)	(59,378,615)
Related companies		(251,552)	-	-	-
CASH FROM/(FOR) OPERATIONS		38,921,725	(157,756,470)	(50,217,498)	(256,097,063)
Income tax refunded/(paid)		27,622	(70,566)	52,074	(19,736)
NET CASH FROM/(FOR) OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD		38,949,347	(157,827,036)	(50,165,424)	(256,116,799)

The annexed notes form an integral part of these financial statements.

BRIGHT FOCUS BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		38,949,247	(157,827,036)	(50,165,424)	(256,116,799)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Concession assets		(20,697,550)	(26,926,710)	-	-
Purchase of other investment issued by subsidiary		-	(620,580,000)	-	(620,580,000)
Redemption of other investment		-	-	50,000,000	-
Placement of deposits with maturity period more than 3 months		(3,461,686)	-	(31,286)	-
Purchase of equipment	29	(2,061,263)	(848,413)	-	-
Proceeds from disposal of equipment		12,214	1,200	-	-
Withdrawal of deposits pledged to licensed bank		-	19,692,072	-	-
Withdrawal of short-term investments pledged to a licensed bank		221,838	(135,209,921)	(3,737,017)	(114,865,473)
Decrease/(Increase) in restricted cash and bank balances		20,002,863	(20,001,520)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(5,983,584)	(783,873,292)	46,231,697	(735,445,473)
BALANCE CARRIED FORWARD		32,965,663	(941,700,328)	(3,933,727)	(991,562,272)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
BALANCE BROUGHT FORWARD		32,965,763	(941,700,328)	(3,933,727)	(991,562,272)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Interest paid		(65,146,063)	(36,908,907)	(63,203,310)	(35,118,552)
Interest received		22,974,368	20,611,569	66,983,045	63,421,503
Proceeds from issuance of Sukuk Musharakah		-	1,196,206,500	-	1,196,206,500
Repayment of term loan		-	(246,112,500)	-	(246,112,500)
Repayment of hire purchase obligations		(298,300)	(258,632)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(42,469,995)	933,538,030	3,779,735	978,396,951
NET DECREASE IN CASH AND CASH EQUIVALENTS/BALANCE CARRIED FORWARD		(9,504,232)	(8,162,298)	(153,992)	(13,165,321)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		The Group		The Company	
	Note	**2015** RM	**2014** RM	**2015** RM	**2014** RM
BALANCE CARRIED FORWARD		(9,504,232)	(8,162,298)	(153,992)	(13,165,321)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		18,210,149	26,372,447	260,557	13,425,878
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(a)	8,705,917	18,210,149	106,565	260,557

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		The Group		The Company	
	Note	**2015** RM	**2014** RM	**2015** RM	**2014** RM
Note (a):					
Cash and cash equivalents comprise:					
Short-term investments	15	134,988,083	135,209,921	118,602,490	114,865,473
Deposits with licensed banks	14	8,348,874	10,522,856	91,677	88,825
Cash and bank balances		3,821,217	27,692,644	46,174	171,732
		147,158,174	173,425,421	118,740,341	115,126,030
Less:					
Deposits with maturity period more than 3 months		(3,461,686)	-	(31,286)	-
Short-term investments pledged to licensed banks		(134,988,083)	(135,209,921)	(118,602,490)	(114,865,473)
Restricted cash and bank balances		(2,488)	(20,005,351)	-	-
		8,705,917	18,210,149	106,565	260,557

The cash and cash equivalent pledged to licensed banks were pursuant to the terms and conditions of the Islamic Medium Term Notes ("IMTNs") issued by subsidiary, Maju Expressway Sdn. Bhd. And the Sukuk Musharakah issued by the Company to meet the profit of the said securities when they fall due.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 21, Maju Tower, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Principal place of business	:	No. 1, Maju Expressway (MEX), 63000 Cyberjaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of directors dated 15 June 2016.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to the subsidiary.

The subsidiary is a single purpose company which has been awarded a concession for a highway project. In accordance with the terms of the Concession Agreement, the principal activities of the subsidiary are:

(a) to design and construct 26 kilometres of the highway traversing from Kuala Lumpur to Putrajaya ("Highway");

(b) to provide other highway related facilities and services; and

(c) to operate and maintain the Highway and to collect toll for its own benefit during the concession period.

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

3. HOLDING COMPANY

The holding company is Maju Holdings Sdn. Bhd., a company incorporated in Malaysia.

4. BASIS OF ACCOUNTING

4.1 BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

(b) The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016

4. BASIS OF ACCOUNTING (CONT'D)

4.1 BASIS OF PREPARATION (CONT'D)

(b) The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year (Cont'd):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application are not relevant to the Group's operations except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.

4. BASIS OF ACCOUNTING (CONT'D)

4.1 BASIS OF PREPARATION (CONT'D)

(b) The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application are not relevant to the Group's operations except as follows (Cont'd):-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group anticipates that the application of MFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 16 until the Group performs a detailed review.

The amendments to MFRS 116 and MFRS 138 prohibit revenue-based amortisation because revenue does not, as a matter of principle, reflect the way in which an item of intangible assets is used or consumed. Therefore, the Company will be changing its current amortisation policy that based on revenue to traffic volume method prospectively upon its initial application of the amendments. Had the amendments been effective to the Company, the profit before taxation of the Company will be reduced/increased by approximately RM48 million.

4.2 GOING CONCERN

The financial statements of the Group are prepared on the basis of accounting principles applicable to a going concern as the holding company has indicated its willingness to provide financial support to the Group to enable it to operate as a going concern in the foreseeable future.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(a) Depreciation of Equipment

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(c) Amortisation of Concession Assets and Deferred Revenue Recognised

The cost of concession assets and deferred revenue are amortised and recognised respectively over the concession period by applying the formula in Note 5.7 and Note 5.11, respectively. The denominator of the formula includes projected total toll revenue for the entire concession period and is based on the latest available base case traffic volume projections prepared by independent traffic consultants multiplied by the toll rates in accordance with the arrangement under the Concession Agreement. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on current market and economic conditions. Changes in the expected traffic volume could impact future amortisation charges and government funding recognised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

(d) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(e) Impairment of Non-financial Assets

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

(f) Write-down of Inventories and Consumables

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories and consumables. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories and consumables.

(g) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(h) Held-to-Maturity Financial Assets

The Group classifies other investments as held-to-maturity investments when it has a positive intention and ability to hold the investments to maturity. Management exercises judgement based on the Group's treasury objective and financial risk management policy to determine whether the financial assets are to be classified as held-to-maturity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

5.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iii) Loans and Receivables Financial Assets

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

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

As at the end of the reporting period, there were no financial assets classified under this category.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Debt Securities

Debt securities issued on discounted basis by the Group are initially recognised based on the proceeds received, net of issuance expenses incurred and are adjusted in each financial year for amortisation of premium and/or accretion of discount, using the effective yield method. The premium amortised and/or discount accreted is recognised in the profit or loss over the period of the debt securities.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4. BASIS OF CONSOLIDATION (CONT'D)

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 EQUIPMENT

Equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Motor vehicles	20%
Office equipment and computers	20%
Furniture, fittings and renovation	20%
Operations tools and equipment	20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of p carts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the different between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 CONCESSION ASSETS

Items classified as concession assets ("CA") comprise Highway Development Expenditure ("HDE").

HDE comprises construction and development expenditure (including interest and fee charges relating to financing of the construction and development of the Highway) incurred in connection with the Concession. HDE will be classified as concession assets upon the completion of the project.

CA is stated at cost less accumulated amortisation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 5.8. Upon completion of the construction works of the Highway and commencement of tolling operations, at the end of each reporting period, the cumulative actual expenditure incurred is amortised to the statement of profit or loss and other comprehensive income based on the following formula:

$$\left(\frac{\text{(Cumulative Actual Toll Revenue to date)}}{\text{(Cumulative Actual Toll Revenue to date plus Projected Total Toll Revenue for the remaining concession period)}} \times \text{(Cumulative Actual CA)} \right) \text{Less} \text{ (Accumulated Amortisation at beginning of the financial year)}$$

The projected total toll revenue of the Concession is based on the traffic volumes projected by an independent professional firm of traffic consultants in a projection study, taking into account the toll rates as provided in the Concession Agreement.

The effects of changes in the estimates are included in the amortisation for the year.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 INVENTORIES AND CONSUMABLES

Inventories and consumables are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

5.10 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

5.11 DEFERRED REVENUE

Deferred revenue are recognised initially at their fair value in the statement of financial position where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Upon completion of the construction works of the Highway and commencement of tolling operations, at the end of each reporting period, the government funding which compensates the Group for the costs of an asset is amortised to profit or loss based on the following formula:

$$\left(\frac{\text{(Cumulative Actual Toll Revenue to date)}}{\text{(Cumulative Actual Toll Revenue to date plus Projected Total Toll Revenue for the remaining concession period)}} \times \text{(Cumulative Government Funding)} \right) \text{ Less } \text{(Accumulated Government Funding recognised at beginning of the financial year)}$$

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 INCOME TAXES

Income tax for the reporting period comprise current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax against current tax liabilities and when the deferred taxes relates to the same taxable entity and the same taxation authority.

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 LEASES

(a) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(b) Finance Leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. The depreciation policy for leased assets is in accordance with that for depreciable equipment as described in Note 5.6.

(c) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

5.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

However, short-term benefits associated with the services rendered by employees of the Group that are attributable to the acquisition, construction or production of an asset during the year when activities necessary to prepare the asset for its intended use are in progress, are capitalised as a component of the cost of the asset. Such capitalisation cease when substantially all the activities necessary to prepare the asset for its intended use are complete.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

However, such contributions for employees of the Group that are attributable to the acquisition, construction or production of an asset during the year when activities necessary to prepare the asset for its intended use are in progress, are capitalised as a component of the cost of the asset. Such capitalisation cease when substantially all the activities necessary to prepare the asset for its intended use are complete.

5.16 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.18 REVENUE AND OTHER INCOME

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(a) Toll Revenue

Toll revenue is accounted for as and when toll is chargeable for the usage of the Highway.

(b) Toll Compensation

The compensation from the Government for any reduction in toll collection as a consequence of a restriction imposed on the increase in the unit toll rate is recognised as income on an accrual basis.

(c) Ancillary Income

Incomes from occupying the ancillary facilities along the Highway are recognised on an accrual basis.

(d) Interest Income

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

5.19 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.19 FAIR VALUE MEASUREMENTS (CONT'D)

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5.20 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

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

6. INVESTMENT IN A SUBSIDIARY

	The Company	
	2015	**2014**
	RM	RM
Unquoted shares in Malaysia, at cost	56,100,000	56,100,000

The details of the subsidiary are as follows:

Name of Subsidiary	Principal Place of Business	Equity Interest 2015 %	Equity Interest 2014 %	Principal Activity
Maju Expressway Sdn. Bhd. ("MESB")	Malaysia	96.83	96.83	Highway construction and toll collection.

The entire shares of MESB are pledged as security for borrowings as disclosed in Note 20 to the financial statements.

6. INVESTMENT IN A SUBSIDIARY (CONT'D)

The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2015	**2014**	**2015**	**2014**
	%	%	RM	RM
MESB	3.17	3.17	1,602,057	1,360,463

The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests do not presented as the non-controlling interests are not material for the Group.

7. EQUIPMENT

The Group **2015**	**Motor Vehicles**	**Office Equipment and Computers**	**Furniture, Fittings and Renovation**	**Operations Tools and Equipment**	**Total**
	RM	RM	RM	RM	RM
Cost					
At 1 January	5,650,228	684,484	768,675	1,246,900	8,350,287
Additions	1,099,571	197,654	1,285,769	172,269	2,755,263
Disposal	(12,437)	-	-	-	(12,437)
Written off	(4,300)	(19,157)	-	-	(23,457)
At 31 December	6,733,062	862,981	2,054,444	1,419,169	11,069,656
Accumulated depreciation					
At 1 January	4,202,673	488,165	404,515	1,221,833	6,317,186
Additions	479,600	86,838	210,841	24,487	801,766
Disposal	(11,935)	-	-	-	(11,935)
Written off	(3,153)	(18,829)	-	-	(21,982)
At 31 December	4,667,185	556,174	615,356	1,246,320	7,085,035
Net carrying amount	2,065,877	306,807	1,439,088	172,849	3,984,621

7. EQUIPMENT (CONT'D)

The Group **2014**	**Motor Vehicles** RM	**Office Equipment and Computers** RM	**Furniture, Fittings and Renovation** RM	**Operations Tools and Equipment** RM	**Total** RM
Cost					
At 1 January	4,166,162	650,089	445,797	1,237,998	6,500,046
Additions	1,484,066	118,067	324,082	12,998	1,939,213
Written off	-	(83,672)	(1,204)	(4,096)	(88,972)
At 31 December	5,650,228	684,484	768,675	1,246,900	8,350,287
Accumulated depreciation					
At 1 January	3,906,034	505,327	324,775	1,154,716	5,890,852
Additions	296,639	66,510	80,584	70,952	514,685
Written off	-	(83,672)	(844)	(3,835)	(88,351)
At 31 December	4,202,673	488,165	404,515	1,221,833	6,317,186
Net carrying amount	1,447,555	196,319	364,160	25,067	2,033,101

At the end of the reporting period, the net book value of the motor vehicles of the Group purchased under hire purchase arrangements amounted to RM1,903,728 (2014: RM1,261,638). These leased assets have been pledged as security for the related finance lease of the Group.

The equipment are pledged as security for borrowings as disclosed in Note 20 to the financial statements.

8. CONCESSION ASSETS

	The Group	
	2015	**2014**
	RM	RM
Cost		
At 1 January	1,475,824,343	1,451,978,113
Movement during the financial year	59,893,681	23,846,230
At 31 December	1,535,718,024	1,475,824,343
Accumulated amortisation		
At 1 January	(73,679,536)	(56,813,516)
Addition	(16,141,718)	(16,866,020)
At 31 December	(89,821,254)	(73,679,536)
Net carrying amount	1,445,896,770	1,402,144,807

Concession assets comprise highway development expenditure.

9. OTHER INVESTMENT

	The Company	
	2015	**2014**
	RM	RM
At amortised cost:		
Unquoted Security		
Private and Islamic debt securities, in Malaysia	548,830,144	609,380,808

Other investment represents investment in financial investment held-to-maturity ("HTM").

In the previous financial year, the Company acquired the Islamic Medium Term Notes ("IMTNs") of RM550 million in nominal value issued by the subsidiary, MESB for a total purchase consideration of RM620,580,000.

The profit rate range from 5.80% to 7.15% per annum and the profit is repayable semi-annually on each series of the IMTNs.

9. OTHER INVESTMENT (CONT'D)

The details of the IMTNs of the end after the reporting period are as follow:-

Series	Tenure Year	Issued Date	Maturity Date	Nominal Value RM'million	Profit Rate %
2	6	15 June 2010	15 June 2016	50	5.80
3	7	15 June 2010	15 June 2017	50	5.95
4	8	15 June 2010	15 June 2018	50	6.10
5	9	15 June 2010	14 June 2019	50	6.25
6	10	15 June 2010	15 June 2020	50	6.40
7	11	15 June 2010	15 June 2021	50	6.55
8	12	15 June 2010	15 June 2022	50	6.70
9	13	15 June 2010	15 June 2023	50	6.85
10	14	15 June 2010	14 June 2024	50	7.00
11	15	15 June 2010	13 June 2025	50	7.15
				500	

The other investment is pledged as security for borrowings as disclosed in Note 20 to the financial statements.

10. INVENTORIES AND CONSUMABLES

	The Group	
	2015	**2014**
	RM	RM
At cost:-		
Consumable goods	83,325	62,018
<u>Recognised in profit or loss</u>		
Inventories recognised as cost of sales	60,598	78,833

None of the inventories is carried at net realisable value.

11. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Trade receivables	14,210,397	16,162,283	-	-
Prepayments	13,225,090	14,265,913	-	-
Deposits and sundry receivables	117,276,458	132,121,728	8,185	19,738
	144,711,945	162,549,924	8,185	19,738

Included in the deposits and sundry receivables are advances to contractors of approximately RM110 million (2014: RM87 million) for the extension of the Highway from Putrajaya to KLIA ("MEX II Highway").

The advances are unsecured, interest-free and will be offset against future billing by the contractor.

12. AMOUNT DUE FROM HOLDING COMPANY

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Interest bearing:				
- advances to holding company	413,137,854)	412,987,529	413,137,854	412,987,529
Non-interest bearing:				
- advances to holding company	35,213,801)	17,035,735	35,213,801	17,035,735
- advances from holding company	(40,000,000)	(40,000,000)	-	-
- management fee payable to holding company	(133,187)	(118,086)	-	-
	(4,919,386)	(23,082,351)	35,213,801	17,035,735
	408,218,468)	389,905,178	448,351,655	430,023,264

The interest bearing advances bore an interest rate of 4.40% (2014: 4.50%) per annum at the end of the reporting period, is unsecured and receivable on demand.

The non-interest bearing amount is unsecured, interest-free and receivable/(repayable) on demand.

12. AMOUNT DUE FROM HOLDING COMPANY (CONT'D)

The amount due is to be settled in cash.

13. AMOUNT DUE FROM A SUBSIDIARY

	The Company	
	2015	**2014**
	RM	RM
Advances:		
- interest bearing	254,806,599	210,186,225
- non-interest bearing	11,949,459	14,185,082
	266,756,058	224,371,307
Unearned interest income	(144,289,699)	(149,376,804)
	122,466,359	74,994,503

The amount due is non-trade in nature, unsecured and receivable on demand. The amount due is to be settled in cash.

The interest bearing advances bore an interest rate of 4.40% (2014: 4.50%) per annum at the end of the reporting period.

Unearned interest income represents the accreted discount arising from the issuance of Sukuk Musharakah by the Company as disclosed in Note 20 to the financial statements charged to the subsidiary as the proceeds were mainly utilised by the subsidiary. The unearned interest income is amortised over the tenure of the Sukuk Musharakah of up to 17 years.

14. AMOUNT DUE FROM RELATED COMPANIES

The amount due is non-trade in nature, unsecured, interest-free and receivable on demand. The amount due is to be settled in cash.

15. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
Money market funds in Malaysia, at fair value	134,988,083	135,209,921	118,602,490	114,865,473

The short-term investments of the Group and the Company are pledged to the Security Trustee in relation to the Sukuk Musharakah as disclosed in Note 20 to the financial statements and hence are not available for general use.

16. DEPOSITS WITH LICENSED BANKS

The weighted average effective interest rate and the average maturity period of the deposits with licensed banks at the end of the reporting period were as follows:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
Weighted average effective interest rate	3.10%	2.95%	3.16%	3.11%
Average maturity	361 days	4 days	137 days	91 days

17. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM2,488 (2014: RM20,005,351) held under Finance Service Reserve Account ("FSRA") in relation to the IMTNs issued by the subsidiary, MESB and hence is restricted for general use.

18. SHARE CAPITAL

	2015	**2014**	**2015**	**2014**
Ordinary Shares Of RM0.20 Each	**Number Of Shares**		**RM**	**RM**
Authorised	500,000,000	500,000,000	100,000,000	100,000,000
Issued And Fully Paid-Up	290,500,000	290,500,000	58,100,000	58,100,000

The holders of ordinary shares are entitled to receive dividends as and when by the Company, and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19. BORROWINGS

The Group

2015	**Short-Term** RM	**Long-Term** RM	**Total** RM
Sukuk Musharakah (Note 20)	20,000,000	1,185,710,301	1,205,710,301
Hire purchase payables (Note 21)	338,402	1,290,293	1,628,695
	20,338,402	1,187,000,594	1,207,338,996
2014			
Sukuk Musharakah (Note 20)	-	1,200,623,196	1,200,623,196
Hire purchase payables (Note 21)	261,445	971,550	1,232,995
	261,445	1,201,594,746	1,201,856,191

The Company

2015	**Short-Term** RM	**Long-Term** RM	**Total** RM
Sukuk Musharakah (Note 20)	20,000,000	1,185,710,301	1,205,710,301
2014			
Sukuk Musharakah (Note 20)	-	1,200,623,196	1,200,623,196

20. SUKUK MUSHARAKAH (SECURED)

On 24 January 2014, Company issued RM1.35 billion in nominal value of Islamic medium term notes under Shariah principle of Musharakah pursuant to the Sukuk Musharakah programme ("Sukuk Musharakah").

The proceeds of the Sukuk Musharakah were utilised as follows:-

(a) to purchase the IMTNs previously issued by the subsidiary, MESB;

(b) to finance the working capital requirements and capital expenditure of MESB for the construction of the Seri Kembangan Interchange on the Highway;

(c) to repay the Company's term loan;

(d) to fund the initial minimum amount required to be deposited in the finance service account;

(e) to pay the ancillary fees related to the issuance of the Sukuk Musharakah; and

(f) the remaining amount, for working capital and capital expenditure of the Group, which are Shariah compliant.

The Sukuk Musharakah are secured against the following:

(a) A first ranking charge over the Company's entire shareholding in MESB and all the IMTNs of RM550,000,000 ("IMTNs") issued by MESB and owned by the Company;

(b) A legal assignment over the Company's rights, interest, title and benefits in and under the MESB undertaking;

(c) A legal assignment over the Company's revenues and income including but not limited to any dividends and distributions received or receivable by the Company, whether income or capital in nature, and the payment and repayment of shareholder's loans and advances received or receivable by the Company; and

(d) A first ranking charge over the Company's designated accounts of the Company and the credit balances therein.

20. SUKUK MUSHARAKAH (SECURED) (CONT'D)

The entire Sukuk Musharakah of RM1.35 billion were issued in year 2014 in 16 series, with maturities of up to 17 years commencing January 2014 to January 2031. The profit rates range from 2.50% to 6.10% per annum and the profit is payable semi-annually on each series of Sukuk Musharakah.

Other finance costs incurred for the issuance of Sukuk Musharakah by the Company was borne by the subsidiary, MESB as the proceeds of the Sukuk Musharakah were mainly utilised by MESB.

The details of the Sukuk Musharakah at the end of the reporting period are as follows:-

Series	Tenure Year	Issued Date	Maturity Date	Nominal Value RM'million	Profit Rate %
1	2	24 January 2014	22 January 2016	20	4.20
2	3	24 January 2014	24 January 2017	30	4.30
3	4	24 January 2014	24 January 2018	35	4.40
4	5	24 January 2014	24 January 2019	40	4.50
5	6	24 January 2014	24 January 2020	55	4.60
6	7	24 January 2014	22 January 2021	70	4.70
7	8	24 January 2014	24 January 2022	70	4.80
8	9	24 January 2014	20 January 2023	70	5.00
9	10	24 January 2014	24 January 2024	75	5.20
10	11	24 January 2014	24 January 2025	90	5.40
11	12	24 January 2014	23 January 2026	110	5.50
12	13	24 January 2014	24 January 2027	125	5.70
13	14	24 January 2014	24 January 2028	130	5.90
14	15	24 January 2014	24 January 2029	130	6.10
15	16	24 January 2014	24 January 2030	130	2.50
16	17	24 January 2014	22 January 2031	170	2.50
				1,350	

20. SUKUK MUSHARAKAH (SECURED) (CONT'D)

The amount recognised in the statements of financial position of the Group and the Company may be analysed as follows:

	The Group/The Company	
	2015	2014
	RM	RM
Secured:		
Current:		
- not later than 1 year	20,000,000	-
Non-current:		
- later than 1 year not later than 2 years	30,000,000	20,000,000
- later than 2 years not later than 3 years	35,000,000	30,000,000
- later than 3 years not later than 4 years	40,000,000	35,000,000
- later than 4 years not later than 5 years	55,000,000	40,000,000
- later than 5 years	1,170,000,000	1,225,000,000
	1,330,000,000	1,350,000,000
	1,350,000,000	1,350,000,000
Less:		
Unamortised accreted discount	(144,289,699)	(149,376,804)
	1,205,710,301	1,200,623,196

21. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2015	2014
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	411,084	314,424
- later than 1 year not later than 5 years	1,070,601	832,220
- later than 5 years	345,475	239,154
	1,827,160	1,385,798
Less: Future finance charges	(198,465)	(152,803)
Present value of hire purchase payables	1,628,695	1,232,995

21. HIRE PURCHASE PAYABLES (SECURED) (CONT'D)

	The Group 2015 RM	The Group 2014 RM
Current (Note 19):		
- not later than 1 year	338,402	261,445
Non-current (Note 19):		
- later than 1 year not later than 5 years	966,274	745,388
- later than 5 years	324,019	226,162
	1,290,293	971,550
	1,628,695	1,232,995

(a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase.

(b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 4.68% to 6.61% (2014: 4.68% to 5.13%). The interest rates are fixed at the inception of the hire purchase arrangements.

22. DEFERRED REVENUE

	The Group 2015 RM	The Group 2014 RM
Cost		
At 1 January/31 December	976,589,400	976,589,400
Accumulated government funding recognised		
At 1 January	51,757,165	39,909,405
Addition	11,338,962	11,847,760
At 31 December	63,096,127	51,757,165
Net carrying amount	913,493,273	924,832,235

The deferred revenue relates to the government funding provided to the subsidiary, MESB for the purpose of meeting all costs related to the construction of Section 1 of the Highway and the Putrajaya Link Interchange under a Design and Build Contract dated 25 November 2004.

22. DEFERRED REVENUE (CONT'D)

Upon completion of the construction works of the Highway and the commencement of tolling operations, the government funding will be recognised as revenue on a systematic basis to the statement of profit or loss and other comprehensive income over the remaining period of the concession.

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Deposits and sundry payables	8,787,737	7,167,155	-	-
Accruals and provisions	33,657,686	35,279,869	27,715,941	27,713,434
	42,445,423	42,447,024	27,715,941	27,713,434

24. REVENUE

	The Group	
	2015	**2014**
	RM	RM
Toll revenue	103,689,156	106,664,419
Ancillary income	1,880,048	1,538,596
	105,569,204	108,203,015

25. PROFIT/(LOSS) BEFORE TAXATION

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting):					
Auditors' remuneration:					
- current financial year		68,000	62,700	16,000)	14,700)
- underprovision in the previous financial year		1,300	-	1,300)	-
Amortisation of concession assets	8	16,141,718	16,866,020	-	-
Bad debts written off		1,187	-	-	-
Depreciation of equipment	7	801,766	514,685	-	-
Employees benefits expenses	26	9,617,266	8,048,883	-	-
Equipment writen off		1,475	621	-	-
Interest expense of financial liabilities not at fair value through profit and loss ("FVTPL"):					
- Sukuk Musharakah and IMTNs		63,185,000	67,639,080	68,272,105)	67,207,862)
- hire purchase		68,342	46,866	-	-
- premium on acquisition of IMTNs		-	71,724,234	-	-
- amortisation of interest on financial assets HTM		-	-	10,568,974)	11,199,192)
- others		6,979,826	28,190,868	-	24,920)
Management fee		2,400,000	1,800,000	-	-
Operating leases:					
- minimum lease payments for machinery		20,080	25,840	-	-
Government funding recognised	22	(11,338,962)	(11,847,760)	-	-
Interest income of financial assets at FVTPL:					
- short-term investments		(4,671,542)	(2,822,456)	(3,807,017)	(2,609,573)
Interest income of financial assets not at FVTPL:					
- IMTNs		-	-	(33,783,630)	(35,103,564)
- holding company		(18,178,066)	(17,035,735)	(18,178,066)	(17,035,735)
- subsidiary		-	-	(26,849,259)	(24,286,070)
- deposits with a licensed bank		(196,503)	(734,927)	(2,842)	(2,449)
- current accounts		(15,616)	(19,794)	-	-
Gain on disposal of equipment		(11,712)	(1,200)	-	-

26. EMPLOYEE BENEFITS EXPENSES

	The Group	
	2015	2014
	RM	RM
Wages, salaries and other emoluments	5,986,058	5,894,925
Defined contribution plans	798,310	750,339
Other staff related expenses	2,822,383	1,845,057
Short-term accumulating compensated expenses	10,515	40,945
	9,617,266	8,531,266

Included in the employee benefits expense of the Group is an amount of RM2,032,517 (2014: RM1,721,282) which represents emoluments payable to executive directors of the Group.

27. INCOME TAX EXPENSE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Current tax:				
- for the financial year	16,940)	54,510	-	-
- overprovision in the previous financial year	(18,030)	(36,018)	-	(32,338)
	(1,090)	18,492	-	(32,338)
Deferred tax assets (Note 28):				
- for the financial year	6,456,000	4,313,000	-	-
Deferred tax liabilities (Note 28):				
- for the financial year	(6,456,000)	(4,313,000)	-	-
	-	-	-	-
	(1,090)	18,492	-	(32,338)

27. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Profit/(Loss) before taxation	26,014,542	(69,320,628)	3,710,655	455,625)
Tax at statutory tax rate of 25% (2014: 25%)	6,503,636	(17,330,157)	927,664	113,906)
Tax effects of:				
Non-deductible expenses	757,882	23,675,971)	24,090	538,487)
Non-taxable income	(7,244,578)	(3,667,554)	(951,754)	(652,393)
Utilisation of deferred tax assets previously not recognised	-	(2,623,750)	-	-
Overprovision of current tax in the previous financial year	(18,030)	(36,018)	-	(32,338)
Income tax expense for the financial year	(1,090)	18,492)	-	(32,338)

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016

28. DEFERRED TAX

	The Group	
	2015	**2014**
	RM	RM
At 1 January/31 December	-	-

28. DEFERRED TAX (CONT'D)

	The Group	
	2015	**2014**
	RM	RM
Represented by:-		
Deferred tax assets:		
At 1 January	97,413,000	101,726,000
Recognised in profit or loss (Note 27)	(6,456,000)	(4,313,000)
At 31 December	90,957,000	97,413,000
Deferred tax liabilities:		
At 1 January	(97,413,000)	(101,726,000)
Recognised in profit or loss (Note 27)	6,456,000	4,313,000
At 31 December	(90,957,000)	(97,413,000)

Deferred tax assets and liabilities are attributable to the following items:-

	The Group	
	2015	**2014**
	RM	RM
Deferred tax assets:-		
Unutilised tax losses and unabsorbed capital allowances	90,957,000	97,413,000
Deferred tax liabilities:-		
Concession assets	(90,957,000)	(97,413,000)

29. PURCHASE OF EQUIPMENT

	The Group	
	2015	**2014**
	RM	RM
Cost of equipment purchased (Note 7)	2,755,263	1,939,213
Amount financed through hire purchase	(694,000)	(1,090,800)
Cash disbursed for purchase of equipment	2,061,263	848,413

30. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group include executive directors and non-executive directors of the Group and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

	The Group	
	2015	**2014**
	RM	RM
(a) Directors		
Directors of the Group		
Short-term employee benefits:		
- salaries, bonuses and other benefits	1,778,909	1,516,982
- defined contribution benefits	253,608	204,300
Total directors' remunerations (Note 26)	2,032,517	1,721,282
(b) Other Key Management Personnel		
Short-term employee benefits	910,109	1,117,712
Defined contribution benefits	77,279	86,312
	987,388	1,204,024

The estimated monetary value of other benefits provided and/or paid to executive directors of the Group during the year amounted to RM38,700 (2014: RM38,700).

31. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, holding company, key management personnel and entities within the same group of companies.

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with its related parties during the financial year:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Holding company:				
- management fee	2,400,000	1,800,000	-	-
- progress billings billed under turnkey contract of RM118 million	59,719,401	24,354,678	-	-
- highway security services	1,043,877	654,768	-	-
- directors' office expenses	-	600,000	-	-
- staff training and development	1,575	1,575	-	-
- transportation fees	29,750	29,750	-	-
- interest income from interest bearing advances	18,178,066	17,035,735	18,178,066	17,035,735
Subsidiary:				
- interest income received from IMTNs	-	-	33,783,630	35,103,564
- interest income from interest bearing advances	-	-	11,211,400	8,670,182
- premium on acquisition of IMTNs	-	-	-	11,199,192
- prepaid interest	-	-	-	153,793,500

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following transactions with its related parties during the financial year (Cont'd):

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Related companies:				
- seasonal parking fee paid to Konsortium Letak Kereta Sdn. Bhd.	10,500	-	-	-
- staff hostel paid to ASM Development Sdn. Bhd.	18,000	15,000	-	-
- road pavement and slopes repair and maintenance costs paid to ASM Development Sdn. Bhd.	638,237	-	-	-
Related parties:				
- seasonal parking fee paid to ASM Development Sdn. Bhd.	-	9,000	-	-
- petrol expenses paid to ASM Retail Sdn. Bhd.	190,536	164,064	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) The below finance costs incurred from the term loan was borne by the holding company as the term loan is held by the Company on its behalf"-

	The Group/The Company	
	2015	**2014**
	RM	RM
Interest expense on term loan	-	788,494
Other finance costs	-	7,723

31. RELATED PARTY DISCLOSURES (CONT'D)

(d) The following finance costs incurred in relation to the Sukuk Musharakah issued by the Company is borne by the MESB as the proceeds from the Sukuk Musharakah were mainly utilised to purchase the IMTNs issued by the MESB as disclosed in Note 20 to the financial statements and finance the working capital requirement and capital expenditure of the MESB for the construction of the Seri Kembangan Interchange.

	The Group	
	2015	**2014**
	RM	RM
Finance costs	-	10,189,427

32. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the end of the reporting period but not recognised as liabilities, are as follows:

	The Group	
	2015	**2014**
	RM	RM
Not later than 1 year	18,000	30,840
Later than 1 year and not later than 5 years	54,000	63,430
	72,000	94,270

33. CONTINGENT LIABILITY

In December 2003, a former shareholder of MESB, Hi-Summit Construction Sdn. Bhd. ("Hi-Summit") and three other parties claiming to be the shareholders of Hi-Summit ("the Plaintiffs") had taken legal action against the Company, MESB and the other shareholders of MESB (collectively known as "the Defendants"), claiming wrongful transfer of their shareholdings of 1,900,000 shares in MESB to one of the current shareholders of MESB; and that MESB had not apportioned the construction works under the Concession Agreement to the shareholders in proportion to their respective shareholdings.

The claim against the Company, MESB and the other Defendants was dismissed by the Kuala Lumpur High Court on 12 April 2011. Hi-Summit filed an appealed against the High Court decision. On 20 September 2013, the Court of Appeal has allowed Hi-Summit's appeal and reinstated the case in the High Court.

MESB applied for leave to appeal to the Federal Court. On 23 February 2015, leave was granted by the Federal Court. The Federal Court had heard all the appeals on 24 March 2016 and the Federal Court had reserved the judgement to a date to be notified.

The Directors are of the view that the Company has a fair chance in the appeal before the Federal Court. In the event Federal Court decides in favour of the Company, the matter would be struck off in the High Court; conversely, should the Federal Court decides against the Company. The case would be fixed for trial before the High Court.

34. FOREIGN EXCHANGE RATE

The applicable closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the financial year was as follows:-

	The Group	
	2015	**2014**
	RM	RM
United States Dollar ("USD")	4.2920	3.4950

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The currency giving rise to this risk is United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Foreign Currency Exposure

	The Group/The Company	
	2015	**2014**
	RM	RM
United States Dollar		
Cash and bank balances	5,500	154,917
Currency exposure	5,500	154,917

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the USD exchange rate at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the profit/(loss) after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long term borrowing with variables rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's fixed rates borrowings are carried at amortised costs, Therefore, they are not subject to interest rate risk as defined MFRS 7 since neither they carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk that based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 12, 13 and 16 to the financial statements.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

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

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Effects on profit/(loss) after taxation				
Increase of 100 basis points (bp)	(5,072,200)	4,752,724)	5,010,271)	4,674,469)
Decrease of 100 bp	5,072,200)	(4,752,724)	(5,010,271)	(4,674,469)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from change in quoted investment prices. The Group manages its exposure to equity price risk by maintain portfolio of equities with different risk profiles.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk (Cont'd)

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Effects on profit/(loss) after taxation				
Increase of 5%	5,062,053	5,070,372	4,447,593	4,307,455
Decrease of 5%	(5,062,053)	(5,070,372)	(4,447,593)	(4,307,455)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 30 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by a customer which constituted approximately 99% of its trade receivables at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Ageing Analysis

The ageing analysis of trade receivables is as follows:-

2015	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
Not past due	14,210,397	-	-	14,210,397
2014				
Not past due	16,162,283	-	-	16,162,283

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities. In additional, the holding company has undertaken to provide continued financial support to meet the Group's obligations as and when they fall due.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2015						
Non-derivatives Financial Liabilities						
Sukuk Musharakah	2.50 – 6.10	1,205,710,301	1,350,000,000	20,000,000	160,000,000	1,170,000,000
Hire purchase payables	4.68 – 6.61	1,628,695	1,827,160	411,084	1,070,601	345,475
Other payables and accruals	-	42,445,423	42,445,423	42,445,423	-	-
		1,249,784,419	1,394,272,583	62,856,507	161,070,601	1,170,345,475
2014						
Non-derivatives Financial Liabilities						
Sukuk Musharakah	2.50 – 6.10	1,200,623,196	1,350,000,000	-	125,000,000	1,225,000,000
Hire purchase payables	4.68 - 5.13	1,232,995	1,385,798	314,424	832,220	239,154
Other payables and accruals	-	42,447,024	42,447,024	42,447,024	-	-
		1,244,303,215	1,393,832,822	42,761,448	125,832,220	1,225,239,154

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2015						
<u>Non-derivatives Financial Liabilities</u>						
Sukuk Musharakah	2.50 – 6.10	1,205,710,301	1,350,000,000	20,000,000	160,000,000	1,170,000,000
Other payables and accruals	-	27,715,941	27,715,941	27,715,941	-	-
		1,233,426,242	1,377,715,941	47,715,941	160,000,000	1,170,000,000
2014						
<u>Non-derivatives Financial Liabilities</u>						
Sukuk Musharakah	2.50 – 6.10	1,200,623,196	1,350,000,000	-	125,000,000	1,225,000,000
Other payables and accruals	-	27,713,434	27,713,434	27,713,434	-	-
		1,228,336,630	1,377,713,434	27,713,434	125,000,000	1,225,000,000

35. FINANCIAL INSTRUMENTS (CONT'D)

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions. Capital includes equity attributable to the owners of the parent shareholders' advances, deferred revenue and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2015	**2014**
	RM	RM
Hire purchase payables (Note 21)	1,628,695	1,232,995
Nominal values of Sukuk Musharakah (Note 20)	1,350,000,000	1,350,000,000
Net debt	1,351,628,695	1,351,232,995
Paid-up capital	58,100,000	58,100,000
Accumulated losses	(72,649,452)	(98,423,390)
Non-controlling interests	1,602,057	1,360,463
Shareholders' advances	40,000,000	40,000,000
Deferred revenue	913,493,273	924,832,235
Total equity	940,545,878	925,869,308
Debt-to-equity ratio	1.44	1.46

There was no change in the Group's approach to capital management during the financial year.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	RM	RM	RM
Financial Assets				
Held-to-maturity				
Other investment (Note 9)	-	-	548,830,144	609,380,808
Fair Value Through Profit and Loss				
Short-term investments (Note 15)	134,988,083	135,209,921	118,602,490	114,865,473
Loans and Receivables Financial Assets				
Trade receivables (Note 11)	14,210,397	16,162,283	-	-
Deposit and sundry receivables (Note 11)	117,276,358	132,121,728	8,185	19,738
Amount due from holding company (Note 12)	408,218,468	389,905,178	448,361,655	430,023,264
Amount due from a subsidiary* (Note 13)	-	-	266,756,058	224,371,307
Amount due from related companies (Note 14)	257,552	-	-	-
Deposits with licensed banks (Note 16)	8,348,874	10,522,856	91,677	88,825
Cash and bank balances (Note 17)	3,821,217	27,692,644	46,174	171,732
	552,132,866	576,404,689	715,263,749	654,674,866
Financial Liabilities				
Other Financial Liabilities				
Sukuk Musharakah (Note 20)	1,205,710,301	1,200,623,196	1,205,710,301	1,200,623,196
Hire purchase payables (Note 21)	1,628,695	1,232,995	-	-
Other payables and accruals (Note 23)	42,445,423	42,447,024	27,715,941	27,713,434
	1,249,784,419	1,244,303,215	1,233,426,242	1,228,336,630

* - Amount due from a subsidiary exclude unearned interest income.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2015								
Financial Assets								
Short-term investments	134,988,083	-	-	-	-	-	134,988,083	134,988,083
Financial Liabilities								
Hire purchase payables	-	-	-	-	1,628,695	-	1,579,382	1,628,695
Sukuk Musharakah	-	-	-	-	-	#	#	1,205,710,301

\# It is not practical to estimate the fair value of the Group's Sukuk Musharakah because of a lack of similar instruments with similar terms and conditions in the market. However, the Group believes that the carrying amounts approximated their recoverable values as the prevailing interest rate environment has not deviated materially from the time when the Sukuk Musharakah were first issued.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 FAIR VALUE INFORMATION (CONT'D)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	**Total Fair Value** RM	**Carrying Amount** RM
2014								
Financial Assets								
Short-term investments	135,209,921	-	-	-	-	-	135,209,921	135,209,921
Financial Liabilities								
Hire purchase payables	-	-	-	-	1,232,995	-	1,215,317	1,232,995
Sukuk Musharakah	-	-	-	-	-	#	#	1,200,623,196

\# It is not practical to estimate the fair value of the Group's Sukuk Musharakah because of a lack of similar instruments with similar terms and conditions in the market. However, the Group believes that the carrying amounts approximated their recoverable values as the prevailing interest rate environment has not deviated materially from the time when the Sukuk Musharakah were first issued.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 FAIR VALUE INFORMATION (CONT'D)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
The Company	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2015								
Financial Assets								
Other investment	-	-	-	-	-	#	#	548,830,144
Short-term investments	118,602,490	-	-	-	-	-	118,602,490	118,602,490
Financial Liabilities								
Sukuk Musharakah	-	-	-	-	-	#	#	1,205,710,301

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 FAIR VALUE INFORMATION (CONT'D)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
The Company	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	**Total Fair Value** RM	**Carrying Amount** RM
2014								
Financial Assets								
Other investment	-	-	-	-	-	#	#	609,380,808
Short-term investments	114,865,473	-	-	-	-	-	114,865,473	114,865,473
Financial Liabilities								
Sukuk Musharakah	-	-	-	-	-	#	#	1,200,623,196

\# It is not practical to estimate the fair value of the Company's Sukuk Musharakah and other investment because of a lack of similar instruments with similar terms and conditions in the market. However, the Company believes that the carrying amounts approximated their recoverable values as the prevailing interest rate environment has not deviated materially from the time when the Sukuk Musharakah were first issued and the other investment has purchased.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value at Financial Instruments Carried at Fair Value

(i) The fair value also has been determined using the following basis:-

(aa) The fair values of short-term investments are measured at their quoted closing bid prices at the end of the financial year.

(ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair values of hire purchase payables are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	2015	**2014**
	%	%
Hire purchase payables	6.24	5.21