

1. Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since financial year ended 30 June 2008.

2. Change in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2008.

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

3. Qualification of Financial Statements

The preceding annual financial statements were not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal or cyclical fluctuations.

5. Nature and Amount of Unusual Items

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows for the current period and the financial year-to-date.

6. Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current year and in the prior financial year that have material effect in the current period.

7. Issuances and Repayment of Debt and Equity Securities

There is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period.

8. Dividend

No dividend has been proposed or paid for in the financial period under review and in the preceding financial period.

9. Segment Reporting

	Toll Operations <u>RM'000</u>	Investment Holding <u>RM'000</u>	Intersegment Eliminations <u>RM'000</u>	Consolidated <u>RM'000</u>
Segment revenue	11,919	-	-	11,919
Segment results	6,994	(138)	-	6,856
Finance cost	(20,280)	(133)	-	(20,413)
Profit from ordinary activities before taxation	(13,286)	(271)	-	(13,557)
Taxation	0	6	-	6
Profit after Taxation	(13,286)	(265)	-	(13,551)

10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment brought forward from the previous audited financial statements, as the Group does not adopt a revaluation policy on property, plant and equipment.

11. Material Events Subsequent to the End of the Period Under Review

There was no material events subsequent to the period ended 31 October 2008.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

13. Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets during the period under review.

14. Change of Financial Year

On 21 November 2008, the financial year of the Group has been changed from 30 June to 31 July commencing from financial period ending 31 July 2009, and thereafter to end on 31 July of every subsequent year.

Accordingly, there are no comparative figures for the current period ended 31 October 2008 against preceding year's corresponding quarter and period.

15. Review of Performance

For the current period under review, the Group recorded a revenue of RM11,919,000 and loss before taxation of RM13,557,000, derived entirely from its Kajang SILK Highway concession.

The traffic volume grew at an annualised rate of 11% during the period under review.

Due to the change in the financial year end as stated in Note 14, there are no comparative figures for the current period ended 31 October 2008 against preceding year's corresponding quarter and period. The quarterly results ended 30 September 2007 have been attached for illustration purposes only.

16. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

The Group recorded an increase in revenue of RM2,926,000 to RM11,919,000 for the 4 months period under review from RM8,993,000 recorded in the preceding 3 months quarter.

The Group also recorded higher loss before taxation of RM13,557,000 for the 4 months period under review as compared to a loss of RM10,140,000 in the preceding 3 months quarter.

Similarly, the increase in revenue and loss before taxation is principally due to the current period comprising 4 months results compared to 3 months in the preceding quarter.

17. Future Year Prospects

Barring unforeseen circumstances, the Board of Directors expects the traffic plying the expressway to continue to grow in the near term as experienced in the current period under review.

The Group is expected to remain cashflow positive as a result of the restructuring of the debt whereby the Sukuk Mudharabah obligation payments until 25 January 2015 are now limited to the available cash flow generated from the Kajang SILK Highway.

18. Variance of Actual Profit from Profit Forecast

The company did not issue any quarterly profit forecast during the period.

19. Income Tax

Income tax comprises:

	Current Period to 31 Oct 2008 <u>RM'000</u>	Cumulative Period 31 Oct 2008 <u>RM'000</u>
Reversal of overprovision in prior years	6	6
	<hr/> 6	<hr/> 6

Deferred tax assets have not been recognised in unabsorbed tax losses and unutilised capital allowances carried forward. The unabsorbed tax losses and unutilised capital allowances on RM606 million and RM290 million respectively as at 31 October 2008 are available indefinitely for offset against future taxable profit of the subsidiary company.

20. Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no profit/(loss) on sale of unquoted investments and/or properties for the current period.

21. Quoted Securities

- (a) There is no purchases or disposals of quoted securities for the current quarter and financial period to date.
- (b) There is no investment in quoted securities as at the reporting period.

22. Status of Corporate Proposals Announced

There is no corporate proposal announced and still pending completion.

23. Group Borrowings and Debt Securities

Group borrowings and debt securities as at the end of the reporting period are as follows:

	<u>Current RM'000</u>	<u>Non Current RM'000</u>	<u>Total RM'000</u>
<u>Borrowings</u>			
Secured	-	772,237	772,237
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24. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risks as at the date of issue of the report.

25. Material Litigation

As a result of land being acquired by the Government for construction of the Highway which is undertaken by SILK pursuant to the Concession Agreement, some land owners [whose land have been acquired] have filed their objection in Court against the Land Administrator's award of compensation. In the SILK funded stretch alone, there are 227 cases comprising 199 cases with claims amounting to RM479.05 million while the land owners' claim for 28 cases are yet to be determined. Out of the 227 cases, 84 cases have been settled out of court while the other cases are still pending Court hearing.

The amount paid by SILK for the land use payments (including expenses and charges incurred for the acquisition of land and for removal or resettling of squatters or other occupants on the Ring Road) was contracted to Sunway Construction Sdn. Bhd. ("SunCon") under the Turnkey Contract at a lump sum of RM215.0 million. Consequent thereto, there will not be further liabilities to SILK should there be any amounts that may be awarded by the courts in relation to the above claims.

26. Earnings Per Share

	Individual Period 31 Oct 2008	Cumulative Period 31 Oct 2008
Basic earnings per share		
Net loss for the period (RM'000)	(13,551)	(13,551)
Number of ordinary shares issue ('000)	180,000	180,000
Loss per share (sen)	(7.53)	(7.53)

The assumed exercise of the warrants during the period is anti-dilutive.

27. Commitments

There were no capital commitments that have not been provided for in the financial statements as at 31 October 2008.

**By order of the Board
Secretaries**