

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

The condensed consolidated interim financial statements and the notes thereto do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 31 July 2011.

**A1. 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**A2. CHANGE IN ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 31 July 2011, except for the adoption of the following new/revised Financial Reporting Standards ("FRS") and Interpretations effective 1 August 2011 as disclosed below:-

**Effective for financial period beginning on or after 1 January 2011:**

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters
Amendments to FRS 1	Additional Exemptions for First-Time Adopters
Amendments to FRS 2	Group Cash-Settled Share-Based Payment Transactions
Amendments to FRS 7	Improving Disclosures About Financial Instruments
Amendments to FRSs	'Improvements to FRS (2010)'
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 18	Transfer of Assets From Customers

**Effective for financial period beginning on or after 1 July 2011:**

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The adoption of the above pronouncements does not have significant impact to the Company and the Group.

At the date of authorization of these interim financial statements, the following standards and interpretations were issued but not yet effective and have not been applied by the Group and the Company:

**Effective for annual periods beginning on or after 1 January 2012:**

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters
Amendments to FRS 1	Additional Exemptions for First-Time Adopters
Amendments to FRS 2	Group Cash-Settled Share-Based Payment Transactions

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

**A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report on the Group's financial statements for the year ended 31 July 2011 was not subject to any qualification.

**A4. SEASONAL OR CYCLICAL FACTORS**

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

**A5. UNUSUAL ITEMS**

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

**A6. CHANGES IN ESTIMATES**

There were no changes in estimates of amounts that would have material effect in the current period.

**A7. DEBT AND EQUITY SECURITIES**

The Group did not undertake any issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period ended 30 April 2012.

**A8. DIVIDEND**

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

## A9. SEGMENT REPORTING

Segment information for the current financial quarter as presented in respect of the Group's business segment.

	<b>Investment Holding Division</b>	<b>Highway Division</b>	<b>Oil &amp; Gas Division</b>	<b>Adjustments</b>	<b>Total</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>REVENUE</b>					
Revenue	331	15,492	76,005	(331)	91,497
Direct and maintenance expenses	-	(1,316)	(30,460)	-	(31,776)
<b>Gross profits</b>	<b>331</b>	<b>14,176</b>	<b>45,545</b>	<b>(331)</b>	<b>59,721</b>
Other income	-	506	56	-	562
Administrative expenses	(203)	(3,166)	(3,969)	105	(7,233)
<b>EBITDA</b>	<b>128</b>	<b>11,516</b>	<b>41,632</b>	<b>(226)</b>	<b>53,050</b>
Depreciation	-	(145)	(16,506)	-	(16,651)
Amortisation	-	(2,929)	-	(60)	(2,989)
Finance costs	(354)	(14,364)	(12,543)	233	(27,028)
<b>Profit/(loss) before taxation</b>	<b>(226)</b>	<b>(5,922)</b>	<b>12,583</b>	<b>(53)</b>	<b>6,382</b>
Taxation	70	-	(340)	(2)	(272)
Profit/(loss) after taxation	(156)	(5,922)	12,243	(55)	6,110
Non-controlling interest	-	-	(3,817)	-	(3,817)
<b>Profit/(loss) attributable to the shareholders of the Company</b>	<b>(156)</b>	<b>(5,922)</b>	<b>8,426</b>	<b>(55)</b>	<b>2,293</b>
<b>ASSETS AND LIABILITIES</b>					
Segment assets	251,726	923,816	1,039,363	(250,303)	1,964,602
Segment liabilities	31,710	872,892	869,024	(13,207)	1,760,419
<b>OTHER INFORMATION</b>					
Capital expenditure	-	121	8,751	-	8,872

## A10. VALUATION OF PROPERTY, VESSELS AND EQUIPMENT

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

**A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD UNDER REVIEW**

There is no material event subsequent to the end of the period under review.

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the financial period.

**A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Contingent liabilities of the Group comprise of the followings:-

	<b>As at <u>30 April 2012</u> RM '000</b>	<b>As at <u>31 July 2011</u> RM '000</b>
Bank guarantee to charterers and suppliers	9,409	8,476
Highway maintenance bond	1,500	1,500
	<hr/> <b>10,909</b>	<hr/> <b>9,976</b> <hr/>

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN BOARD LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. REVIEW OF PERFORMANCE**

**a. Quarterly review**

	<b>Investment Holding Division RM '000</b>	<b>Highway Division RM '000</b>	<b>Oil &amp; Gas Division RM '000</b>	<b>Adjustments RM '000</b>	<b>Total RM '000</b>
<b>Current quarter (February - April 2012):</b>					
Revenue	331	15,492	76,005	(331)	91,497
EBITDA	128	11,516	41,632	(226)	53,050
Profit/(loss) before taxation	(226)	(5,922)	12,583	(53)	6,382
Profit/(loss) after tax and non-controlling interests	(156)	(5,922)	8,426	(55)	2,293
<b>Preceding year corresponding quarter (February - April 2011):</b>					
Revenue	316	15,786	47,319	(316)	63,105
EBITDA	144	12,319	18,596	(226)	30,833
Profit/(loss) before taxation	(175)	(5,255)	182	(212)	(5,460)
Profit/(loss) after tax and non-controlling interests	(40)	(5,255)	497	(214)	(5,012)

For the current quarter under review, the Group recorded revenue of RM91.5 million, earnings before interest, taxation, depreciation and amortization ("EBITDA") of RM53 million and profit before taxation of RM6.4 million. After deducting current period and deferred tax charge on the profit, the Group recorded profit after tax and minority interests of RM2.3 million.

Compared to the preceding year corresponding quarter, the Group recorded 45% higher revenue mainly due to RM28.7 million higher contributions from the Oil and Gas Division arising from;

- deployment of additional vessels for one long-term contract and six short-term contracts, and
- improved utilization of the vessel fleet.

As a result of the above, the Group recorded 71.1% higher EBITDA during the current period and profit before taxation of RM6.4 million in the current quarter compared to loss before taxation of RM5.5 million in the preceding year corresponding quarter.

After taking into account tax charge of RM0.3 million and minority interests of RM3.8 million, the Group recorded profit for the period of RM2.3 million as compared to loss of RM5 million in the preceding year corresponding quarter.

**b. Financial year-to-date review**

	<b>Investment Holding Division RM '000</b>	<b>Highway Division RM '000</b>	<b>Oil &amp; Gas Division RM '000</b>	<b>Adjustments RM '000</b>	<b>Total RM '000</b>
<b>Current year-to-date (August 2011 - April 2012):</b>					
Revenue	1,007	51,217	203,027	(1,007)	254,244
EBITDA	385	40,123	104,302	(692)	144,118
Profit/(loss) before taxation	(679)	(13,061)	26,294	(136)	12,418
Profit/(loss) after tax and non-controlling interests	(470)	(13,061)	15,519	(141)	1,847
<b>Preceding year-to-date (August 2010 - April 2011):</b>					
Revenue	956	48,470	133,442	(956)	181,912
EBITDA	441	38,421	54,931	(686)	93,107
Profit/(loss) before taxation	(531)	(15,280)	10,546	(629)	(5,894)
Profit/(loss) after tax and non-controlling interests	(116)	(15,280)	6,705	(633)	(9,324)

In line with the improvements during the financial period-to-date, especially during the current quarter and the preceding quarter, the Group recorded 39.8% higher revenue of RM254.2 million and 54.8% higher EBITDA of RM144.1 million during the current financial year-to-date as compared to RM93.1 million in the preceding year-to-date. The positive results enabled the Group to record RM12.4 million profit before taxation and RM1.8 million profit after tax and minority interests as compared to loss before taxation of RM5.9 million and loss after tax and minority interests of RM9.3 million in the preceding year corresponding period.

**B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING QUARTER**

	<b>Investment Holding Division RM '000</b>	<b>Highway Division RM '000</b>	<b>Oil &amp; Gas Division RM '000</b>	<b>Adjustments RM '000</b>	<b>Total RM '000</b>
<b>Current quarter</b>					
<b>(February - April 2012):</b>					
Revenue	331	15,492	76,005	(331)	91,497
EBITDA	128	11,516	41,632	(226)	53,050
Profit/(loss) before taxation	(226)	(5,922)	12,583	(53)	6,382
Profit/(loss) after tax and non-controlling interests	(156)	(5,922)	8,426	(55)	2,293
<b>Immediate preceding quarter</b>					
<b>(November 2011 - January 2012):</b>					
Revenue	338	17,935	80,160	(338)	98,095
EBITDA	143	14,292	38,406	(233)	52,608
Profit/(loss) before taxation	(218)	(3,513)	10,921	(47)	7,143
Profit/(loss) after tax and non-controlling interests	(147)	(3,513)	5,449	(48)	1,741

Compared to the immediate preceding quarter, the Group recorded 6.7% lower revenue of RM91.5 million in the current quarter from RM98.1 million in the preceding quarter. The decrease is mainly due to;

- Oil and Gas Division earning lower vessel charter days, and
- Highway Division recording lower toll compensation revenue following the finalization of the compensation for calendar year 2011.

Despite the above, the Group recorded marginally higher EBITDA arising from lower third party vessel charter costs following expiry of their contracts.

After deducting RM0.3 million tax charge and RM3.8 million for minority interests, the Group recorded RM2.3 million profit after taxation and minority interests in the current quarter, as compared to RM1.7 million in the preceding quarter.

### **B3. FUTURE YEAR PROSPECTS**

Barring unforeseen circumstances, the Board of Directors is of the view that:

- a. contributions from the Oil & Gas Division is expected to remain positive and expected to increase resulting from the fleet expansion programme undertaken during the year where the fleet size increased from 12 to 16, and
- b. traffic volume utilising the expressway will continue to grow in the near term due to:
  - SILK Highway's improved connectivity with new highways recently introduced along its alignment together with the availability of installed capacity, and
  - increasing development and urbanization in the surrounding vicinity of Kajang SILK Highway.

However, the Highway Division will continue to record accounting losses, albeit on a declining basis.

The Group is expected to remain cash flow positive on an operational basis as a result of the restructuring of the long term debt whereby the Sukuk Mudharabah obligation payments until 25 January 2015 will be limited to the available cash flow generated from the Kajang SILK Highway.

### **B4. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST**

The Group has not issued any profit forecast for the current financial year and therefore, no comparison is available.



**B5. ADDITIONAL DISCLOSURE – PROFIT BEFORE TAX**

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	<u>30 April 2012</u>	<u>30 April 2011</u>	<u>30 April 2012</u>	<u>30 April 2011</u>
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived at after charging/(crediting):				
Provision for doubtful debts	-	-	2,455	-
Finance costs:				
Interest and profits payable to lenders	26,980	22,614	78,168	64,287
Unwinding of interest for provision for heavy repairs	48	-	145	-
Forex loss	3	-	56	211
	<hr/>	<hr/>	<hr/>	<hr/>

## B6. INCOME TAX

Income tax comprises:

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	<u>30 April 2012</u>	<u>30 April 2011</u>	<u>30 April 2012</u>	<u>30 April 2011</u>
	RM '000	RM '000	RM '000	RM '000
Current year tax charge	342	-	743	3
Transfer to deferred taxation	-	794	2,507	5,082
	<u>342</u>	<u>794</u>	<u>3,250</u>	<u>5,085</u>
Less transfer from deferred taxation	<u>(70)</u>	<u>(135)</u>	<u>(209)</u>	<u>(419)</u>
	<u>272</u>	<u>659</u>	<u>3,041</u>	<u>4,666</u>

The effective tax rates of the Oil and Gas subsidiaries differ from the Malaysian statutory tax rate as;

- a Malaysian-tax domiciled subsidiary has adequate unutilised capital allowances that could be used to offset the taxable income, and
- subsidiaries incorporated in Labuan under the Offshore Companies Act, 1990 are taxed at 3% of their profit before taxation, or RM20,000 in accordance with the Labuan Offshore Business Activity Tax Act, 1990.

## B7. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There is no corporate exercise that has been completed during the current period or is still pending as at the end of the current period.

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

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

	<u>Short Term</u> RM '000	<u>Long Term</u> RM '000	<u>Total</u> RM '000
<u>Secured:</u>			
Sukuk Mudharabah	2,000	723,494	725,494
Term and revolving loans	79,860	669,605	749,465
Hire purchase	233	359	592
Total borrowings	82,093	1,393,458	1,475,551

Included in other payables in the consolidated statement of financial position as at 30 April 2012 is RM129.99 million profits accrued up to that date due to Sukukholders on Sukuk Mudharabah. As stated in Note B3, the Sukuk Mudharabah obligation payments until 25 January 2015 are now limited to the available cash flow generated from the Kajang SILK Highway.

**B9. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**B10. MATERIAL LITIGATION**

Following the compulsory acquisition of land falling under the Expressway, which was undertaken by the Company pursuant to the Concession Agreement, certain land owners whose land have been acquired, have filed their objection in Court against the Company for higher compensation. In the Company funded stretch, there are 240 cases comprising 238 cases with claims amounting to RM485.96 million while the land owners' claim for 2 cases are yet to be determined. Out of the 240 cases, 230 cases have been settled while other cases are still pending Court hearing.

Pursuant to the Turnkey Contract dated 31 July 2001 between the Company and Sunway Construction Sdn Bhd ("SCSB"), the amount payable by the Company to SCSB for the land use payments (including expenses and charges incurred by SCSB for the acquisition of land and for removal or resettling of squatters or other occupants on the Expressway) has been contracted out to SCSB at a ceiling amount of RM215 million. Any further amounts that may be awarded by the courts beyond RM215 million will be the obligation of and will therefore be borne by SCSB.

**B11. EARNINGS PER SHARE**

	Individual Quarter		Cumulative Period	
	Current Year (3 months) <u>30 Apr 2012</u> RM '000	Preceding Year (3 months) <u>30 Apr 2011</u> RM '000	Current Year (9 months) <u>30 Apr 2012</u> RM '000	Preceding Year (9 months) <u>30 Apr 2011</u> RM '000
<u>Basic earnings per share:</u>				
Profit/(loss) for the period attributable to equity holders of the parent	2,293	(5,012)	1,847	(9,324)
Weighted average number of ordinary shares ('000)	381,849	381,849	381,849	381,006
<b>Basic earnings/(loss) per share (sen)</b>	<b>0.60</b>	<b>(1.31)</b>	<b>0.48</b>	<b>(2.45)</b>
<u>Diluted earnings per share:</u>				
Profit/(loss) for the period attributable to equity holders of the parent	2,558	(4,709)	2,645	(8,378)
Weighted average number of ordinary shares ('000)	381,849	381,849	381,849	381,006
Additional ordinary shares issuable from conversion of loan stocks	187,068	180,539	184,421	179,191
Additional ordinary shares issuable from conversion of convertible	70,359	68,936	69,750	69,375
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	639,276	631,324	636,020	629,572
<b>Diluted earnings/(loss) per share (sen)</b>	<b>0.40</b>	<b>(0.75)</b>	<b>0.42</b>	<b>(1.33)</b>

**B12. COMMITMENTS**

	<u>30 April 2012</u> RM '000	<u>30 April 2011</u> RM '000
Approved and contracted for:		
Property, vessels and equipment	1,945	106,170

The commitment in the current period relates to fleet management system while commitments in the previous corresponding period represent vessels which were subsequently delivered between 2011 and 2012.

**13. REALISED AND UNREALISED PROFITS OF THE GROUP**

	<u>30 April 2012</u> RM '000	<u>30 April 2011</u> RM '000
Total retained profits of the Company and its subsidiaries:		
- realised loss	(53,717)	(62,844)
- unrealised loss	(37,710)	(32,310)
	<u>(91,427)</u>	<u>(95,154)</u>
Less consolidation adjustments	128,810	136,214
Total Group retained profits as per consolidated accounts	<u>37,383</u>	<u>41,060</u>

**B14. AUTHORISATION FOR ISSUE**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors dated 27 June 2012.

**BY ORDER OF THE BOARD  
SECRETARIES**