



SILK HOLDINGS BERHAD (405897-V)

**INTERIM RESULTS FOR THE PERIOD ENDED
31 JULY 2014 (Q4 2014)**

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SILK HOLDINGS BERHAD (405897-V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Jul-2014 RM '000	31-Jul-2013 RM '000	31-Jul-2014 RM '000	31-Jul-2013 RM '000
Revenue	74,387	72,563	276,884	306,538
Direct costs	(20,247)	(25,096)	(78,846)	(116,628)
Gross profit	54,140	47,467	198,038	189,910
Other items of income:				
Interest income	487	418	946	689
Other income	457	113	11,043	104
Other item of expenses:				
Staff expenses	(2,530)	(3,192)	(12,454)	(11,820)
Administrative expenses	(2,175)	(1,488)	(6,839)	(4,734)
	(4,705)	(4,680)	(19,293)	(16,554)
EBITDA	50,379	43,318	190,734	174,149
Depreciation	(23,735)	(20,777)	(91,269)	(78,816)
Amortisation	-	-	-	-
Finance costs	(14,270)	(14,326)	(57,506)	(52,405)
	(38,005)	(35,103)	(148,775)	(131,221)
Profit before taxation	12,374	8,215	41,959	42,928
Taxation	2,208	(1,963)	(747)	(7,682)
Net profit for the period	14,582	6,252	41,212	35,246
Discontinued operations				
Loss from discontinued operations, net of tax	(29,390)	(24,630)	(36,488)	(36,141)
Profit/(loss) for the year	(14,808)	(18,378)	4,724	(895)
Net profit and total comprehensive income attributable to:				
Owners of the parent	(19,089)	(20,763)	(10,414)	(15,239)
Non-controlling interests	4,281	2,385	15,138	14,344
	(14,808)	(18,378)	4,724	(895)
Basic earnings/(loss) per share (sen)				
- from continuing operations	2.09	0.92	5.64	5.25
- from discontinued operations	(5.98)	(5.89)	(7.90)	(9.07)
Basic loss per share	(3.88)	(4.97)	(2.25)	(3.82)
Diluted earnings/(loss) per share (sen)				
- from continuing operations	1.48	0.64	4.06	3.33
- from discontinued operations	(4.36)	(3.80)	(5.57)	(5.48)
Diluted loss per share	(2.88)	(3.17)	(1.51)	(2.14)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.

SILK HOLDINGS BERHAD (405897-V)**(Incorporated in Malaysia)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	31-Jul-2014	Audited 31-Jul-2013	1-Aug-2012
	RM '000	RM '000	RM '000
		Restated	Restated
Assets			
Non-current assets			
Concession intangible assets	-	876,382	890,458
Property, vessels and equipment	1,173,064	1,146,114	898,553
Deferred tax assets	29	133,710	122,768
Goodwill on consolidation	647	13,883	13,883
	<u>1,173,740</u>	<u>2,170,089</u>	<u>1,925,662</u>
Current assets			
Inventories	1,319	735	939
Trade and other receivables	70,690	63,048	85,009
Tax recoverable	974	551	804
Cash and bank balances	60,665	91,806	71,415
	<u>133,648</u>	<u>156,140</u>	<u>158,167</u>
Assets classified as held for sale	1,073,024	189	630
Total assets	<u>2,380,412</u>	<u>2,326,418</u>	<u>2,084,459</u>
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	129,020	108,333	99,262
Share premium	69,679	54,045	53,670
Equity component of loan stocks	34,034	34,034	37,271
Equity component of preference shares	-	1,384	1,901
Employee trust shares	(6,688)	(6,688)	(6,688)
Retained earnings	51,461	64,919	80,158
Reverse acquisition deficit	(92,791)	(92,791)	(92,791)
	<u>184,715</u>	<u>163,236</u>	<u>172,783</u>
Non-controlling interests	58,518	89,799	75,755
Total equity	<u>243,233</u>	<u>253,035</u>	<u>248,538</u>

SILK HOLDINGS BERHAD (405897-V)**(Incorporated in Malaysia)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	31-Jul-2014	Audited 31-Jul-2013	1-Aug-2012
	RM '000	RM '000 Restated	RM '000 Restated
Non-current liabilities			
Borrowings	816,655	1,503,725	1,375,115
Ijarah rental payable	-	257,789	209,307
Liability component of convertible loan stocks	-	5,867	5,971
Liability component of convertible preference shares	-	-	14,132
Deferred tax liabilities	58,031	59,173	52,660
Provision for heavy repairs	-	892	1,494
Retirement benefits obligations	-	-	4,637
	<u>874,686</u>	<u>1,827,446</u>	<u>1,663,316</u>
Current liabilities			
Borrowings	162,399	146,132	92,466
Trade and other payables	45,531	69,253	64,488
Liability component of convertible loan stocks	6,317	-	-
Liability component of convertible preference shares	-	10,837	-
Ijarah rental payable	-	16,895	13,354
Provision for heavy repairs	-	2,181	1,042
Provision for taxation	230	639	1,255
	<u>214,477</u>	<u>245,937</u>	<u>172,605</u>
Liabilities classified as held for sale	1,048,016	-	-
Total liabilities	<u>2,137,179</u>	<u>2,073,383</u>	<u>1,835,921</u>
Total equity and liabilities	<u>2,380,412</u>	<u>2,326,418</u>	<u>2,084,459</u>
Net assets per share attributable to equity holders of the Company	<u>RM 0.36</u>	<u>RM 0.38</u>	<u>RM 0.44</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.

SILK HOLDINGS BERHAD (Company No: 405897-V)

Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →							Non-Controlling interests RM'000	Total RM'000
	← Non-distributable →			→ Distributable					
	Share capital RM'000	Share premium RM'000	Employee trust shares RM'000	Equity component of preference shares RM'000	Equity component of loan stocks RM'000	Reverse acquisition deficit RM'000	Retained earnings RM'000		
At 1 August 2013									
As previously reported	108,333	54,045	(6,688)	1,384	34,034	(92,791)	39,270	89,799	227,386
Prior year adjustment									
Sukuk Mudharabah	-	-	-	-	-	-	(121,297)	-	(121,297)
Recognition of deferred tax assets	-	-	-	-	-	-	133,710	-	133,710
Goodwill	-	-	-	-	-	-	13,236	-	13,236
At 1 August 2013, restated	108,333	54,045	(6,688)	1,384	34,034	(92,791)	64,919	89,799	253,035
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(10,414)	15,138	4,724
Transaction with Owners:									
Issue of shares	7,500	14,250	-	-	-	-	-	-	21,750
Conversion of preference shares	13,187	1,384	-	(1,384)	-	-	-	-	13,187
Acquisition of minority interest	-	-	-	-	-	-	(3,044)	(46,419)	(49,463)
	20,687	15,634	-	(1,384)	-	-	(3,044)	(46,419)	(14,526)
At 31 July 2014	129,020	69,679	(6,688)	-	34,034	(92,791)	51,461	58,518	243,233

SILK HOLDINGS BERHAD (Company No: 405897-V)

Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →						Distributable	Non-Controlling interests	Total
	Share capital	Share premium	Employee trust shares	Equity component of preference shares	Equity component of loan stocks	Reverse acquisition deficit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2012									
As previously reported	99,262	53,670	(6,688)	1,901	37,271	(92,791)	34,857	75,755	203,237
Sukuk Mudharabah	-	-	-	-	-	-	(90,703)	-	(90,703)
Recognition of deferred tax assets	-	-	-	-	-	-	122,768	-	122,768
Goodwill	-	-	-	-	-	-	13,236	-	13,236
At 1 August 2012, restated	99,262	53,670	(6,688)	1,901	37,271	(92,791)	80,158	75,755	248,538
Total comprehensive income/(loss) for the	-	-	-	-	-	-	(15,239)	14,344	(895)
Transaction with Owners:									
Conversion of preference shares	4,871	380	-	(517)	-	-	-	-	4,734
Conversion of loan stocks	4,200	(5)	-	-	(3,237)	-	-	-	958
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	(300)	(300)
	9,071	375	-	(517)	(3,237)	-	-	(300)	5,392
At 31 July 2013	108,333	54,045	(6,688)	1,384	34,034	(92,791)	64,919	89,799	253,035

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.

SILK HOLDINGS BERHAD (405897-V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31-Jul-2014	31-Jul-2013
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	272,024	330,389
Collection of other income	914	981
	272,938	331,370
Payment of expenses	(89,115)	(138,186)
Net tax paid	(2,750)	(1,492)
Net cash generated from operating activities	181,073	191,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, vessel and equipment	45,458	-
Purchase of property, vessels and equipment	(165,525)	(325,451)
Highway development expenditure	-	-
Acquisition of minority interest	(49,464)	-
(Increase)/decrease in pledged deposits	(4,985)	86
Net cash used in investing activities	(174,516)	(325,365)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	21,750	-
Drawdown of borrowings	158,426	262,665
Repayment of borrowings	(118,743)	(65,065)
Payment of finance costs	(61,705)	(50,617)
Dividends paid to a non-controlling shareholder	-	(300)
Net cash generated from financing activities	(272)	146,683
NET DECREASE IN CASH AND CASH EQUIVALENTS	6,285	13,010
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	43,783	30,773
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	50,068	43,783

(a) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	31-Jul-2014	31-Jul-2013
	RM '000	RM '000
Cash and bank balances	17,033	18,947
Deposits with licensed financial institutions	43,632	30,448
	60,665	49,395
Less pledged deposits	(10,597)	(5,612)
	50,068	43,783

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

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

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 2013.

A2. CORPORATE INFORMATION

SILK Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 30 September 2014.

A3. ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 July 2013, except for the adoption of the following Malaysian Financial Reporting Standards (MFRSs) and Amendments to MFRSs and IC Interpretations which are mandatory for these financial statements.

MFRSs, Amendments to MFRSs and IC Interpretation		Effective Date
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013

A3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1 (contd.)

MFRSs, Amendments to MFRSs and IC Interpretation		Effective Date
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 1, 101, 116, 132 & 134	Annual Improvements 2009 – 2011 Cycle	1 January 2013

The adoption of the above MFRSs and Amendments to MFRSs and IC Interpretations does not have any material impact on the financial performance and financial position of the Group.

Standards issued but not yet effective

At the date of authorisation of this Report, the following MFRS, Amendments to MFRSs and IC Interpretation (“IC Int”) were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective Date
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127		1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities		1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosure for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
MFRS 9	Financial Instruments	1 January 2015

The Group is currently assessing the impact of adopting the above pronouncements.

A4. CHANGES IN ESTIMATES

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

A5. CHANGES IN THE COMPOSITION OF THE GROUP

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

A6. SEGMENT INFORMATION

Following the proposed disposal of Sistem Lingkaran-Lebuhraya Kajang Sdn. Bhd. ("SILK") as mentioned in A.21, the Group has two reportable operating segments comprising the Oil and Gas Division and the Investment Holding Division. Except for the above, there has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

	Investment Holding Division	Oil & Gas Division	Disposal Group	Adjustments	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
<u>Quarter ended 31 July 2014:</u>					
Revenue					
External customers	-	74,387	-	-	74,387
Inter-segment	979	-	-	(979)	-
Total revenue	979	74,387	-	(979)	74,387
Segment profits before taxation					
	615	12,110	-	(351)	12,374
Segment assets					
	279,414	1,291,570	1,073,024	(263,596)	2,380,412

	Investment Holding Division RM '000	Oil & Gas Division RM '000	Disposal Group RM '000	Adjustments RM '000	Total RM '000
Quarter ended 31 July 2013:					
Revenue					
External customers	-	72,631	-	-	72,631
Inter-segment	1,213	-	-	(1,213)	-
Total revenue	1,213	72,631	-	(1,213)	72,631
Segment profits before taxation					
	769	7,439	-	7	8,215
Segment assets					
	258,581	1,281,254	1,053,833	(267,250)	2,326,418

A7. SEASONAL OR CYCLICAL FACTORS

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

A8. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Jul-2014 RM '000	31-Jul-2013 RM '000	31-Jul-2014 RM '000	31-Jul-2013 RM '000
Interest income	487	418	946	689
Rental income	51	46	208	152
Gain on disposal of vessel, equipment and property	-	-	-	-
	-	-	11,043	-
Interest expenses	(14,270)	(14,326)	(57,506)	(52,405)
Depreciation of property, vessel and equipment	-	-	-	-
	(23,735)	(20,777)	(91,269)	(78,816)
Net foreign exchange gain/(loss)	120	(52)	561	(100)

A9. INCOME TAX

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Jul-2014	31-Jul-2013	31-Jul-2014	31-Jul-2013
	RM '000	RM '000	RM '000	RM '000
Current period tax charge:				
Malaysian income tax	719	192	1,298	1,186
(Over)/under provision in prior periods	(462)	(57)	619	(57)
	<u>257</u>	<u>135</u>	<u>1,917</u>	<u>1,129</u>
Deferred income tax:				
Relating to origination and reversal of temporary differences	(2,465)	1,827	(1,170)	6,552
Under provision in prior periods	-	1	-	1
	<u>(2,465)</u>	<u>1,828</u>	<u>(1,170)</u>	<u>6,553</u>
	<u>(2,208)</u>	<u>1,963</u>	<u>747</u>	<u>7,682</u>

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

A10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period, excluding employee trust shares held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period, plus the number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Jul-2014	31-Jul-2013	31-Jul-2014	31-Jul-2013
Basic earnings/(loss) per share:				
Profit/(loss) net of tax attributable to owners of the parent (RM '000)				
- from continuing operations	10,301	3,867	26,074	20,902
- from discontinued operations	(29,390)	(24,630)	(36,488)	(36,141)
Net loss for the year	<u>(19,089)</u>	<u>(20,763)</u>	<u>(10,414)</u>	<u>(15,239)</u>
Weighted average number of ordinary shares in issue ('000)	491,749	418,132	462,122	398,501
Basic earnings/(loss) per share (sen)				
- from continuing operations	2.09	0.92	5.64	5.25
- from discontinued operations	(5.98)	(5.89)	(7.90)	(9.07)
Basic loss per share	<u>(3.88)</u>	<u>(4.97)</u>	<u>(2.25)</u>	<u>(3.82)</u>
Diluted earnings/(loss) per share:				
Profit/(loss) net of tax attributable to owners of the parent (RM '000)				
- from continuing operations	9,953	4,121	26,582	21,996
- from discontinued operations	(29,390)	(24,630)	(36,488)	(36,141)
Net loss for the year	<u>(19,437)</u>	<u>(20,509)</u>	<u>(9,906)</u>	<u>(14,145)</u>
Weighted average number of ordinary shares at beginning of the period ('000)	491,749	418,132	462,122	398,501
Effects of dilution:	-	-	-	-
- Convertible loan stocks	182,947	177,579	178,920	190,191
- Convertible preference shares	-	52,247	14,018	70,956
Total number of ordinary shares for diluted earnings per share computation ('000)	<u>674,695</u>	<u>647,958</u>	<u>655,060</u>	<u>659,648</u>
Diluted earnings/(loss) per share (sen)				
- from continuing operations	1.48	0.64	4.06	3.33
- from discontinued operations	(4.36)	(3.80)	(5.57)	(5.48)
Diluted loss per share	<u>(2.88)</u>	<u>(3.17)</u>	<u>(1.51)</u>	<u>(2.14)</u>

A11. 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.

A12. DISPOSAL GROUP HELD FOR SALE

As disclosed in A.21, the Company has entered into a share sale agreement to dispose its entire interest in SILK.

As at 31 July 2014, the assets and liabilities related to SILK have been presented in the statement of financial position as “Assets classified as held for sale” and its results are presented separately on the statement of comprehensive income as “Loss for discontinued operations, net of tax”.

Statement of financial position disclosures

	Group RM '000
Assets classified as held for sale	
Concession intangible assets	878,553
Property, plant and equipment	2,192
Deferred tax asset	137,826
Receivables	609
Cash and bank balances	53,844
	<hr/>
	1,073,024
Liabilities classified as held for sale	
Sukuk Mudharabah	691,272
Sukuk finance cost payable	327,250
Hire purchase financings	160
Payables	26,132
Provision for heavy repairs	3,202
	<hr/>
	1,048,016

Statement of comprehensive income disclosure

Results of SILK for the year ended 31 July 2014 are as follows:

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Jul-2014	31-Jul-2013	31-Jul-2014	31-Jul-2013
	RM '000	RM '000	RM '000	RM '000
Revenue	23,294	19,912	87,899	76,808
Direct costs	(1,795)	(2,350)	(8,396)	(7,436)
Gross profit	21,499	17,562	79,503	69,372
Other items of income:				
Interest income	423	366	1,334	1,122
Other income	214	189	985	941
Other item of expenses:				
Staff expenses	(2,745)	(2,536)	(11,727)	(9,918)
Administrative expenses	(2,530)	(724)	(2,992)	(3,355)
	(5,275)	(3,260)	(14,719)	(13,273)
EBITDA	16,861	14,857	67,103	58,162
Depreciation	(67)	(184)	(612)	(681)
Amortisation	(1,415)	(2,881)	(13,050)	(13,976)
Finance costs	(48,886)	(47,364)	(94,046)	(90,588)
	(50,368)	(50,429)	(107,708)	(105,245)
Loss before taxation	(33,507)	(35,572)	(40,605)	(47,083)
Taxation	4,117	10,942	4,117	10,942
Net loss for the period	(29,390)	(24,630)	(36,488)	(36,141)

Cash flows from/(used in) discontinuing operation

	Group	
	2014	2013
	RM'000	RM'000
Net cash used in operating activities	73,088	62,716
Net cash used in investing activities	(1,041)	(1,605)
Net cash from financing activities	(60,747)	(53,702)
Effect on cash flows	11,300	7,409

A13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following amounts:

	31-Jul-14	31-Jul-13
	RM '000	RM '000
Deposits with licensed financial institutions	43,632	20,938
Cash and bank balances	17,033	70,868
Total cash and cash equivalents	<u>60,665</u>	<u>91,806</u>

Included in the deposits placed with licensed financial institutions is RM10.60 million (2013: RM5.61 million) pledged for a bank facility granted to a subsidiary.

A14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

During the financial year ended 31 July 2014:

- the Company issued 52,746,667 ordinary shares of RM0.25 each pursuant to the conversion of the remaining 11,998,889 CC-RPS and dividends payable on maturity of the CC-RPS. The shares were issued at the rate of four (4) new ordinary shares of RM0.25 each for every RM1.00 of CC-RPS and its attendant coupon payable.
- the Company issued 30,000,000 new ordinary shares of RM0.25 each, representing approximately 6.2% of issued and paid-up share capital of the Company ("Private Placement"). The enlarged issued share capital after the Private Placement is 516,079,144 shares. The Placement shares were issued at 72.5 sen each, and the proceeds raised was RM21.75 million.

Subsequently, the new shares were listed on Bursa Malaysia on 30 May 2014, and the total paid up share capital of the Company was increased to RM129,019,786.

- there has been no repurchase and resale of treasury shares.

As comparison, during the prior year, the Company issued:

- 16,798,893 ordinary shares of RM0.25 each pursuant to the conversion of 3,800,000 Redeemable Convertible Unsecured Loan Stocks ("RCULS") and dividends payable at the rate of four (4) new ordinary shares of RM0.25 each for every RM1.00 of RCULS and its attendant coupon payable.
- 19,484,187 ordinary shares of RM0.25 each pursuant to the conversion of 4,111,111 Cumulative Convertible-Redeemable Preference Shares ("CC-RPS") and dividends payable at the rate of four (4) new ordinary shares of RM0.25 each for every RM1.00 of CC-RPS and its attendant coupon payable.

A15. GROUP BORROWINGS AND DEBT SECURITIES

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

	31-Jul-14	31-Jul-13
	RM '000	RM '000
Secured short term borrowings:		
Revolving credits	40,000	-
Term loans	122,285	127,008
Sukuk Mudharabah	-	18,895
Hire purchase financings	114	229
Total short term borrowings	<u>162,399</u>	<u>146,132</u>
Secured long term borrowings:		
Term loans	816,393	812,132
Sukuk Mudharabah	-	691,275
Hire purchase financings	262	318
Total long term borrowings	<u>816,655</u>	<u>1,503,725</u>

Sukuk Mudharabah was issued by SILK. Pursuant to the proposed disposal of SILK as mentioned in Note A.21, Sukuk Mudharabah amounts at 31 July 2014 had been reclassified to liabilities held for sale as disclosed in A.12.

A16. 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 31 July 2014 except as disclosed in Note A14.

A17. DIVIDEND

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

A18. COMMITMENTS

	31-Jul-14	31-Jul-13
	RM '000	RM '000
Capital expenditure		
Approved and contracted for:		
Vessel and equipment	-	150,687
Approved but not contracted for:		
Vessel and equipment	16,600	112,658
	<u>16,600</u>	<u>112,658</u>

A19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities of the Group comprise the following:-

	31-Jul-14	31-Jul-13
	RM '000	RM '000
Performance bond for expressway maintenance cost	1,500	1,500
Bank guarantee to charterers and suppliers	15,313	13,214
	<u>15,313</u>	<u>13,214</u>

A20. 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.

A21. SIGNIFICANT EVENTS

Proposed disposal of 100% equity interest in Sistem Lingkaran-Lebuhraya Kajang Sdn. Bhd. (“SILK”) (“Proposed Disposal”)

On 20 June 2014, the Company entered into a conditional Share Sale Agreement (“SSA”) with Road Builder (M) Holdings Bhd (“RBH”) in relation to the Proposed Disposal for a cash consideration of RM395 million (“Disposal Consideration”).

The Proposed Disposal is conditional upon the following conditions (“Conditions Precedent”):

- i. approvals of:
 - the Economic Planning Unit in the Prime Minister’s Department of the Government of Malaysia (“GoM”) (or if Unit Kerjasama Awam Swasta in the Prime Minister’s Department of GoM (“UKAS”) is the appropriate body in lieu of EPU, then the approval of UKAS);
 - the shareholders of the Company,
 - all holders of SILK’s Sukuk Mudharabah, and
 - any other relevant authorities as may be necessary
- ii. SHB having procured the release of its obligation under the corporate guarantee dated 18 December 2008 issued to Affin Investment Bank Berhad pursuant to the Sukuk Mudharabah, and
- iii. the purchaser, RBH, being satisfied with the results of Due Diligence Inquiry (“DDI”) on SILK and its subsidiary,

The parties agreed that the Conditions Precedent, except for the DDI, shall be satisfied within 3 months from the date of the SSA. The DDI is to be completed within 67 days from the date of SSA.

On 15 September 2014, the parties agreed to extend the Condition Precedent Period from 90 days to 150 days from the date of the SSA to expire on 17 November 2014.

The Proposed Disposal is to be completed within one month from the date of satisfaction of all Conditions Precedent.

A22. EVENTS AFTER THE REPORTING DATE

On 5 September 2014, the Company subscribed to 51 ordinary shares of RM1.00 each, representing 51% interest in Jasamerin Energy Ventures Sdn. Bhd.

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

B1. REVIEW OF PERFORMANCE

	3 Months Ended			12 Months Ended		
	31-Jul-14 RM '000	31-Jul-13 RM '000	Change	31-Jul-14 RM '000	31-Jul-13 RM '000	Change
Revenue						
Oil and Gas Division	74,387	72,631	2.4%	276,884	306,538	(9.7%)
Investment Holding	979	1,213	(19.3%)	4,854	3,253	49.2%
Adjustments	(979)	(1,213)		(4,854)	(3,253)	
Total	74,387	72,631	2.4%	276,884	306,538	(9.7%)
	-	-		-	-	
Profit/(loss) before tax	-	-		-	-	
Oil and Gas Division	12,110	7,439	62.8%	39,163	41,811	(6.3%)
Investment Holding	615	769	(20.0%)	3,524	1,155	205.1%
Adjustments	(351)	7		(728)	(38)	
Total	12,374	8,215	50.6%	41,959	42,928	(2.3%)

a. Quarterly review

During the current period, the Group recorded marginally higher revenue of RM74.4 million than RM72.6 million recorded in Q4 2013. Similarly, profit before tax increased to RM12.4 million from RM8.2 million in Q4 2013.

The increase is mainly contributed by improved vessel utilization as well as the charter rates.

b. Financial-year-to-date review

For the financial year ended 31 July 2014 ("FY 2014"), revenue and profit before taxation of the Group were affected by reduced fleet utilization rate due to vessel docking, repairs and pending redeployment in-between contracts. Gain on disposal of two (2) vessels was offset by higher depreciation and finance cost arising from delivery of three (3) new vessels, JM Cemerlang, JM Gemilang and JM Abadi.

As a result, revenue of the Group reduced by RM29.7 million while profit before tax reduced by RM1 million from FY 2013.

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

	31-Jul-14	30-Apr-14	Change
	RM '000	RM '000	
Revenue			
Oil and Gas Division	74,387	65,102	14.3%
Investment Holding	979	1,285	(23.8%)
Adjustments	(979)	(1,285)	
Total	74,387	65,102	14.3%
Profit/(loss) before taxation			
Oil and Gas Division	12,110	9,605	26.1%
Investment Holding	615	1,295	(52.5%)
Adjustments	(351)	8	
Total	12,374	10,908	13.4%

During Q4 2014 the Group recorded 13.4% higher profit before taxation than the preceding quarter, mainly due to improved vessel utilization.

B3. FUTURE YEAR PROSPECTS

The Group expects the Proposed Disposal of SILK to be completed in FY 2015. Subsequently, the Group would be solely involved in the Oil and Gas activities.

Despite recording lower revenue and profits in the current financial year for the reasons outlined, the Board of Directors is of the view that contributions from the Oil & Gas Division is expected to remain positive.

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. STATUS OF CORPORATE PROPOSALS ANNOUNCED

Except as disclosed in Note A.21, 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.

B6. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B7. MATERIAL LITIGATION

Following the compulsory acquisition of land falling under the Expressway, which was undertaken by SILK pursuant to the Concession Agreement, certain 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, there are 240 cases with claims amounting to RM503.7 million. Out of the 240 cases, 2 cases with claims of RM28.4 million 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.

B8. PRIOR YEAR ADJUSTMENTS

a. Sukuk Mudharabah

In the prior years, the Group had understated Sukuk Mudharabah amounting to RM121,297,000 due to an assumption of refinancing in the application of effective interest rate method ("EIR") as per MFRS 139, AG7 in measuring it at amortised cost.

Since 2008 to 2012, the finance cost was calculated based on contractual interest rate of 8% instead of EIR of 9.53% which was based on the Group's estimated cash flow.

In 2013, the Group recalculated the EIR (MFRS 139, AG7) on the assumption that the Group will be able to refinance the Sukuk Mudharabah in 2014. In view that the refinancing has not been concluded as at 31 July 2014, the Group has now accounted for the finance cost based on the amortised cost as derived from the contractual cash flows for the full Sukuk tenure.

b. Deferred tax assets

In the past, deferred tax assets of the Highway Division were recognized up to an amount that offset its deferred tax liabilities.

Based on:

- the cash flow projection used by the Group in assessing the EIR of Sukuk Mudharabah, which indicates that the Division would be able to utilise its deferred tax assets, and
- the Division utilising its unabsorbed capital allowances since 2012,

the Group has recognised the deferred tax assets retrospectively amounting to RM133,710,000.

c. Goodwill

As a result of prior year adjustment on the EIR finance cost of Sukuk Mudharabah in financial year 2010, the negative goodwill amounted of RM11.9 million which was recognised to profit or loss during the reverse acquisition has been reversed and a positive goodwill of RM13.9 million has been restated.

The reconciliation between the asset and liability from the reverse acquisition previously reported and restated are as follows:

	Fair value recognised on acquisition		
	As		
	previously	Prior year	Restated
	stated	adjustment	RM'000
	RM'000	RM'000	RM'000
Property, plant and equipment	2,719	-	2,719
Expressway heavy repairs	764	-	764
Expressway development expenditure	919,559	-	919,559
Receivables	599	-	599
Deposits with financial institutions	14,071	-	14,071
Cash and cash equivalents	699	-	699
	<u>938,411</u>	-	<u>938,411</u>
Borrowings	764,722	25,105	789,827
Payables	73,773	-	73,773
Tax payables	120	-	120
	<u>838,615</u>	<u>25,105</u>	<u>863,720</u>
Fair value of net assets	99,796		74,691
Less: Non-controlling interest	-		-
Group's share of net assets	<u>99,796</u>		<u>74,691</u>
Goodwill on acquisition	<u>(11,869)</u>		<u>13,236</u>
Total cost of business combination	<u>87,927</u>		<u>87,927</u>

The following are the summary of the financial impact due to re- measurement of Sukuk Mudharabah (B8.a), under recognition of deferred tax assets (B8.b) and under recognition of goodwill (B8.c):

	As previously stated RM'000	Effect of prior year adjustments RM'000	Restated RM'000
Statement of financial position			
<i>Ijarah rental</i>			
2012	(131,958)	(90,703)	(222,661)
2013	(153,387)	(121,297)	(274,684)
<i>Deferred tax assets</i>			
2012	-	122,768	122,768
2013	-	133,710	133,710
<i>Goodwill</i>			
2012	647	13,236	13,883
2013	647	13,236	13,883
<i>Retained earnings</i>			
2012	(34,857)	(45,301)	(80,158)
2013	(39,270)	(25,649)	(64,919)

Following the prior year adjustments as stated above, certain comparatives have been restated. The reconciliation between amount previously reported and the restated amount are as follows:

Reconciliation of financial position

	<----- 1 August 2012 ----->			<----- 31 July 2013 ----->		
	As previously stated RM'000	Effect of prior year adjustments RM'000	Restated RM'000	As previously stated RM'000	Effect of prior year adjustments RM'000	Restated RM'000
Assets						
Property, vessels and equipment	898,553	-	898,553	1,146,114	-	1,146,114
Concession intangible assets	890,458	-	890,458	876,382	-	876,382
Goodwill on consolidation	647	13,236	13,883	647	13,236	13,883
Deferred tax assets	-	122,768	122,768	-	133,710	133,710
Total non-current assets	<u>1,789,658</u>	<u>136,004</u>	<u>1,925,662</u>	<u>2,023,143</u>	<u>146,946</u>	<u>2,170,089</u>
Current assets						
Inventories	939	-	939	735	-	735
Trade and other receivables	85,009	-	85,009	63,048	-	63,048
Tax recoverable	804	-	804	551	-	551
Cash and cash equivalents	71,415	-	71,415	91,806	-	91,806
	<u>158,167</u>	<u>-</u>	<u>158,167</u>	<u>156,140</u>	<u>-</u>	<u>156,140</u>
Non-current assets classified as held for sale	630	-	630	189	-	189
Total current assets	<u>158,797</u>	<u>-</u>	<u>158,797</u>	<u>156,329</u>	<u>-</u>	<u>156,329</u>
Total assets	<u>1,948,455</u>	<u>136,004</u>	<u>2,084,459</u>	<u>2,179,472</u>	<u>146,946</u>	<u>2,326,418</u>

Reconciliation of financial position (continued)

	<----- 1 August 2012 ----->			<----- 31 July 2013 ----->		
	As previously stated RM'000	Effect of prior year adjustments RM'000	Restated RM'000	As previously stated RM'000	Effect of prior year adjustments RM'000	Restated RM'000
Equity						
Share capital	99,262	-	99,262	108,333	-	108,333
Share premium	53,670	-	53,670	54,045	-	54,045
Equity component of convertible preference shares	1,901	-	1,901	1,384	-	1,384
Equity component of convertible loan stocks	37,271	-	37,271	34,034	-	34,034
Reverse acquisition deficit	(92,791)	-	(92,791)	(92,791)	-	(92,791)
Retained earnings	34,857	45,301	80,158	39,270	25,649	64,919
	<u>134,170</u>	<u>45,301</u>	<u>179,471</u>	<u>144,275</u>	<u>25,649</u>	<u>169,924</u>
Employee trust shares	(6,688)	-	(6,688)	(6,688)	-	(6,688)
	<u>127,482</u>	<u>45,301</u>	<u>172,783</u>	<u>137,587</u>	<u>25,649</u>	<u>163,236</u>
Non-controlling interest	75,755	-	75,755	89,799	-	89,799
Total equity	<u>203,237</u>	<u>45,301</u>	<u>248,538</u>	<u>227,386</u>	<u>25,649</u>	<u>253,035</u>

Reconciliation of financial position (continued)

	<----- 1 August 2012 ----->			<----- 31 July 2013 ----->		
	As previously stated RM'000	Effect of prior year adjustments RM'000	Restated RM'000	As previously stated RM'000	Effect of prior year adjustments RM'000	Restated RM'000
Liabilities						
Loans and borrowings	1,375,115	-	1,375,115	1,503,725	-	1,503,725
Ijarah rental payable	118,604	90,703	209,307	136,492	121,297	257,789
Liability component of convertible preference shares	14,132	-	14,132	-	-	-
Liability component of convertible loan stocks	5,971	-	5,971	5,867	-	5,867
Deferred tax liabilities	52,660	-	52,660	59,173	-	59,173
Retirement benefits obligation	4,637	-	4,637	-	-	-
Provision for heavy repairs	1,494	-	1,494	892	-	892
Total non-current liabilities	<u>1,572,613</u>	<u>90,703</u>	<u>1,663,316</u>	<u>1,706,149</u>	<u>121,297</u>	<u>1,827,446</u>
Loans and borrowings	92,466	-	92,466	146,132	-	146,132
Trade and other payables	64,488	-	64,488	69,253	-	69,253
Liability component of convertible preference shares	-	-	-	10,837	-	10,837
Ijarah rental payable	13,354	-	13,354	16,895	-	16,895
Provision for heavy repairs	1,042	-	1,042	2,181	-	2,181
Provision for taxation	1,255	-	1,255	639	-	639
Total current liabilities	<u>172,605</u>	<u>-</u>	<u>172,605</u>	<u>245,937</u>	<u>-</u>	<u>245,937</u>
Total liabilities	<u>1,745,218</u>	<u>90,703</u>	<u>1,835,921</u>	<u>1,952,086</u>	<u>121,297</u>	<u>2,073,383</u>
Total equity and liabilities	<u>1,948,455</u>	<u>136,004</u>	<u>2,084,459</u>	<u>2,179,472</u>	<u>146,946</u>	<u>2,326,418</u>

Reconciliation of profit or loss and other comprehensive income for the year ended 31 July 2013

	As previously stated RM'000	Effect of prior year adjustments RM'000	Effect of reclassification of discontinuing operations	Restated RM'000
Continuing operations				
Revenue	383,346	-	(76,808)	306,538
Direct costs	(223,714)	-	28,675	(195,039)
Gross profit	159,632	-	(48,133)	111,499
Interest income	1,811	-	(1,123)	688
Other income	1,045	-	(940)	105
Administrative expenses	(24,102)	-	6,690	(17,412)
Operating profit	138,386	-	(43,506)	94,880
Finance costs	(111,947)	(30,594)	90,588	(51,953)
Loss before tax	26,439	(30,594)	47,082	42,927
Tax expense	(7,682)	10,942	(10,942)	(7,682)
Profit/(Loss) for the year	18,757	(19,652)	36,140	35,245
Discontinued operation				
Loss from discontinued operation, net of tax	-	-	(36,140)	(36,140)
Profit/(loss) net of tax, representing total comprehensive income for the year	18,757	(19,652)	-	(895)
Profit and total comprehensive income attributable to:				
Owners of the Company	4,413	(19,652)	-	(15,239)
Non-controlling interests	14,344	-	-	14,344
Profit/(loss) and total comprehensive income for the year	18,757	(19,652)	-	(895)

B9. COMPARATIVE FIGURES

Certain comparatives figures have been reclassified to conform with the current year presentation.

Reconciliation of cash flow for the year ended 31 July 2013

	As previously stated RM'000	Effect of reclassification RM'000	Effect of reclassification of discontinuing operations	Restated RM'000
Cash flows from operating activities				
Collection of revenue	409,041	-	(78,652)	330,389
Collection of other income	3,235	-	(2,254)	981
	<u>412,276</u>	<u>-</u>	<u>(80,906)</u>	<u>331,370</u>
Payment of operating expenses	(156,376)	-	18,190	(138,186)
Tax paid	(1,492)	-	-	(1,492)
Net cash generated from operating activities	<u>254,408</u>	<u>-</u>	<u>(62,716)</u>	<u>191,692</u>
Cash flows from investing activities				
Proceeds from sale of plant and equipment	76	-	(76)	-
Proceeds from sale of non-current assets classified as held for sale	197	-	(197)	-
Purchase of plant and equipment	(326,340)	-	899	(325,451)
Payment of expressway heavy repairs	(931)	-	931	-
Increase in pledged deposits	-	28	58	86
Net cash used in investing activities	<u>(326,998)</u>	<u>28</u>	<u>1,605</u>	<u>(325,365)</u>

Certain comparatives figures have been reclassified to conform with the current year presentation.

Reconciliation of cash flow for the year ended 31 July 2013

	As previously stated RM'000	Effect of reclassification RM'000	Effect of reclassification of discontinuing operations	Restated RM'000
Cash flows from financing activities				
Drawdown of borrowings	262,665	-	-	262,665
Repayment of borrowings	(80,389)	-	15,324	(65,065)
Payment of finance costs	(88,995)	-	38,378	(50,617)
Dividend paid	(300)	-	-	(300)
Net cash used in financing activities	<u>92,981</u>	<u>-</u>	<u>53,702</u>	<u>146,683</u>
Net increase in cash and cash equivalent	20,391	28	(7,409)	13,010
Cash and bank balances at 1 August	<u>71,415</u>	<u>(7,290)</u>	<u>(33,352)</u>	<u>30,773</u>
Cash and cash equivalent at 31 July	<u><u>91,806</u></u>	<u><u>(7,262)</u></u>	<u><u>(40,761)</u></u>	<u><u>43,783</u></u>

Note a.

- a. This is adjustment on deposit placed with licensed financial institutions in 2013 pledged for bank facilities granted to the Group. The adjustment was made to conform with the current year's presentation.

B10. REALISED AND UNREALISED PROFITS OF THE GROUP

	Current quarter ended <u>31-Jul-14</u> RM '000	Previous financial year ended <u>31-Jul-13</u> RM '000
Total retained profits of the Company and its subsidiaries:		
- realised loss	(29,320)	(41,380)
- unrealised profit	(59,731)	(32,179)
	<hr/>	<hr/>
	(89,051)	(73,559)
Less consolidation adjustments	140,512	138,478
Total Group retained profits as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	51,461	64,919

B11. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the Group's financial statements for the year ended 31 July 2013 was not subject to any qualification.

**BY ORDER OF THE BOARD
SECRETARIES**