

PART A: EXPLANATORY NOTES AS PER FRS 134

A1. Basis of Preparation of Interim Financial Reports

The interim financial statements are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 March 2014 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries as at end for the quarter ended 30 September 2014.

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the consolidated financial statements for 31 March 2014.

As of 1 April 2014, the Group and the Company have adopted the following MFRSs and amendments which are effective for annual periods beginning on or after 1 April 2014.

Effective for annual periods commencing on or after 1 April 2014

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the above MFRSs and amendments does not have any material impact on the financial statements.

The following MFRS, amendments and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted.

Effective for annual periods commencing on or after 1 July 2014

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
Amendments to MFRS 2	Share-based Payment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 3	Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)

Amendments to MFRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140	Investment Property (Annual Improvements 2011-2013 Cycle)

Effective for annual periods commencing for a date yet to be confirmed

MFRS 9	Financial Instruments (2009)
MFRS 9	Financial Instruments (2010)
MFRS 9	Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139
Amendments to MFRS 7	Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures

A2. Qualification of Financial Statements

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

A3. Seasonal or Cyclical Factors

The Group's results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual and Extraordinary Items

There were no unusual and/or extraordinary items affecting assets, liabilities, equity, net income or cashflows during the period under review.

A5. Material Changes in Estimates

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date including impairment of intangible assets, depreciation on property, plant and equipment, deferred tax assets that could arise from unused tax losses and unabsorbed capital allowances, assessment of penalties and indirect taxes payable, construction contracts profits and capitalised development expenditure.

There was no material changes in estimates reported in the period under review.

A6. Issuance and Repayment of Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company during the period under review.

A7. Dividends Paid

No dividends were paid during the period under review.

A8. Segmental Information

	3-mths ended		YTD 6-mths ended	
	30.09.14 RM'000	30.09.13 RM'000	30.09.14 RM'000	30.09.13 RM'000
Segment Revenue				
Rail	64,676	41,029	102,393	85,240
Coach and SPV	9,196	13,200	19,876	25,611
Revenue	<u>73,872</u>	<u>54,229</u>	<u>122,269</u>	<u>110,851</u>
Segment Results				
Rail	(994)	(6,806)	(467)	(21,681)
Coach and SPV	2,111	(1,140)	2,600	(1,344)
Corporate expenses	(1,474)	(433)	(2,434)	(1,763)
Loss before taxation	<u>(357)</u>	<u>(8,379)</u>	<u>(301)</u>	<u>(24,788)</u>
Tax credit/(expense)	592	(108)	578	(179)
Profit/(loss) for the financial period	<u>235</u>	<u>(8,487)</u>	<u>277</u>	<u>(24,967)</u>

A9. Material Events Subsequent to the End of the Period

There were no material events subsequent to the end of the period under review.

A10. Contingent Liabilities

There were no contingent liabilities for the Group as at 30 September 2014.

A11. Capital and Operating Lease Commitments

- (a) The capital commitments not provided for in the financial statements are as follows:

	30.09.14	31.03.14
	RM'000	RM'000
Approved and contracted for		
- Property, plant and equipment	49	1,015
- Development costs	-	-
	49	1,015
Approved but not contracted for		
- Property, plant and equipment	5,159	6,348
- Development costs	-	25,780
	5,159	32,128
Total	<u>5,208</u>	<u>33,143</u>

- (b) The Group has entered into non-cancellable operating lease agreement for property, plant and equipment. Commitments for future minimum lease payments are as follows:

	30.09.14	31.03.14
	RM'000	RM'000
Due within 1 year	73	127
Due within 1 and 2 years	34	46
Due later than 2 years	9	12
Total	<u>116</u>	<u>185</u>

A12. Significant Related Party Transactions

The following are the Group's significant related party transactions:

	3-mths	YTD
	ended	6-mths
	30.09.14	30.09.14
	RM'000	RM'000
Transactions with a company connected to a Director		
- provision of airline ticketing services	44	93
Sharing of rental and office relocation costs with immediate holding company	30	228
	<u>74</u>	<u>321</u>

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of Performance

B1 should be read in conjunction with A8 above.

Performance of each operating segment are analysed below:

(a) Rail segment

Revenue for the current quarter is RM64.7 million, higher by 58% compared against RM41.0 million for the corresponding quarter in 2013. Revenue for the financial year to date of RM102.4 million was higher by RM17.2m as compared to the corresponding year to date of RM85.2 million. This was mainly due to higher value of work done in the current quarter on the monorail projects.

The segment posted a loss before tax of RM1.0 million for the current quarter which is RM5.8 million lower than the loss before tax of RM6.8 million for the corresponding quarter in 2013. As for the financial year to date, the loss before tax was significantly lower by RM21.2 million as compared to net loss in the corresponding year of RM21.7 million.

Lower losses were mainly due to lower overheads as a result of the cost optimization in Rail segment.

(b) Coach and Special Purpose Vehicle ("SPV") segment

Revenue for the current quarter is RM9.2 million, as compared to RM13.2 million for the corresponding quarter, lower by 30%. Revenue for the financial year to date declined to RM19.9 million from RM25.6 million in the corresponding financial year to date, lower by RM5.7 million.

The segment however posted a profit before taxation for the current quarter of RM2.1 million as compared against loss before taxation of RM1.1 million recorded in the corresponding quarter. As for the financial year to date, profit before taxation was RM2.6 million as compared to the loss before taxation for the corresponding financial year to date of RM1.3 million.

Lower losses were mainly due to lower overheads as a result of the cost optimization in Coach and SPV segment.

B2. Results against Preceding Quarter

The Group recorded revenue of RM73.9 million for the current quarter as compared to RM48.4 million for the immediate preceding quarter due to higher revenue generated from Rail segment.

The Group posted a profit after tax for the current quarter of RM0.235 million as compared to profit after tax of RM0.042 million for the immediate preceding quarter.

B3. Prospects

The ongoing cost optimisation program implemented in early 2014 has been successful to date in reducing costs and is expected to continue to do so over the next quarters.

Subject to there being no major depreciation of foreign exchange rates for the Brazilian Real and Indian Rupee and with the major projects expected to be completed in 2015, the Board is cautiously optimistic about prospects for the current financial year.

B4. Profit Forecast or Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.

B5. Tax Expense/(Credit)

	3-mths ended		YTD 6-mths ended	
	30.09.14	30.09.13	30.09.14	30.09.13
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian income tax	795	108	809	179
Foreign tax	-	-	-	-
	<u>795</u>	<u>108</u>	<u>809</u>	<u>179</u>
Deferred tax	(1,387)	-	(1,387)	-
Total tax (credit)/expense	<u>(592)</u>	<u>108</u>	<u>(578)</u>	<u>179</u>

Domestic current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the taxable profit for the period. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

B6. Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the date of issue of this report.

B7. Group Borrowings

The group borrowings are as follows:

Secured	30.09.14 RM'000	31.03.14 RM'000
Non-Current		
Revolving credits	9,857	14,357
Finance lease liabilities	8,675	9,233
	<u>18,532</u>	<u>23,590</u>
Current		
Bank overdrafts	103,627	175,902
Term loans	30,049	34,037
Trade facilities	33,843	2,610
Finance lease liabilities	1,700	2,103
Revolving credits	292,529	261,409
	<u>461,748</u>	<u>476,061</u>
Total		
Bank overdrafts	103,627	175,902
Term loans	30,049	34,037
Trade facilities	33,843	2,610
Finance lease liabilities	10,375	11,336
Revolving credits	302,386	275,766
Total borrowings	<u>480,280</u>	<u>499,651</u>

The group borrowings are denominated in the following currencies:

	30.09.14 RM'000 equivalent	31.03.14 RM'000 equivalent
Ringgit Malaysia	384,398	390,293
United States Dollar	14,621	14,531
Brazilian Real	30,049	34,037
Indian Rupee	51,212	60,790
	<u>480,280</u>	<u>499,651</u>

B8. Changes in Material Litigation

There has been no change in material litigation.

B9. Dividend Declared

No interim dividend has been declared for the current period under review.

B10. Earnings/(loss) Per Share

The computations for earnings/(loss) per share are as follows:-

	3-mths ended		YTD 6-mths ended	
	30.09.14 RM'000	30.09.13 RM'000	30.09.14 RM'000	30.09.13 RM'000
Profit/(loss) for the period	235	(8,487)	277	(24,967)
Weighted average no. Of shares in issue (^000)	342,080	342,080	342,080	342,080
Basis earnings/(loss) per share (sen)	<u>0.07</u>	<u>(2.48)</u>	<u>0.08</u>	<u>(7.30)</u>

There was no dilution in the earnings per share of the Company as at 30 September 2014 as the market price of the Company's ordinary shares was anti-dilutive, since the market price was lower than the exercise price.

B11. Current Status of the Matter Giving Rise to Qualification of Financial Statements

The preceding annual financial statement was not qualified.

B12. Additional Information:

The following items are included in the statement of comprehensive income:-

	3-mths ended		YTD 6-mths ended	
	30.09.14 RM'000	30.09.13 RM'000	30.09.14 RM'000	30.09.13 RM'000
Profit/(Loss) before taxation is stated after crediting:-				
- Interest income	317	703	628	1,353
Profit/(Loss) before taxation is stated after charging:-				
- Interest expense	9,251	9,171	17,201	16,539
- Depreciation and amortisation	5,814	4,139	7,478	5,700
- Unrealised foreign exchange (gain)/losses	(181)	3,645	(3,642)	18,292
- Realised foreign exchange losses	423	2,780	3,982	2,898

Note: The finance costs included within cost of sales amounted to RM8.1 mil (2014: RM 7.7 mil) and RM14.7 mil (2014: RM14.5 mil) for the current quarter and year to date respectively.

There were no provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments, impairment assets and exceptional items.

B13. Retained Earnings /(Accumulated Losses)

	As at	
	30.09.14	31.03.14
	RM'000	RM'000
Total accumulated (losses)/retained earnings of the Company and its subsidiaries :		
Realised	(213,796)	(203,111)
Unrealised	1,964	(8,006)
	<u>(211,832)</u>	<u>(211,117)</u>
Less : Consolidation adjustments	76,034	75,042
Total Group accumulated losses	<u>(135,798)</u>	<u>(136,075)</u>

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 November 2014.