

## **ANTAH HOLDINGS BERHAD**

### **UNAUDITED QUARTERLY RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2006**

#### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

##### **A 1. Accounting Policies**

The interim financial report is not audited and has been prepared in accordance with the Financial Reporting Standard (“FRS”) (formerly known as Malaysian Accounting Standard Board – MASB) 134, “Interim Financial Reporting” and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The quarterly financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent annual financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2005.

##### **A 2. Audit Report Of Preceding Annual Financial Statements**

The audit reports of the Company’s Annual Financial Statements for the year ended 30 June 2005 have been qualified by the Auditors as follows:

1. *We have audited the accompanying reissued financial statements of ANTAH HOLDINGS BERHAD. The financial statements were reissued by the directors in view of the matters disclosed in Note 43 to the financial statements.*
2. *These financial statements are the responsibility of the Company’s directors. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.*
3. *The financial statements of the Group and the Company for the year ended 30 June 2004 were audited by another firm of auditors whose report dated 28 December 2005 expressed a disclaimer of opinion in view of the following:*
  - (a) *their inability to ascertain the possible adjustments to the financial statements of the Group and the Company that might have been necessary had the audited financial statements of certain subsidiaries as disclosed in Note 13 to the financial statements had been made available;*
  - (b) *their inability to ascertain the authenticity of construction expenditure of RM341,879,000 which were accounted for and included in highway development expenditure of the Group as complete documentary evidence were not available to substantiate the quantity and construction works claimed;*
  - (c) *their inability to determine whether the carrying amount of highway development expenditure of the Group, net of impairment loss, of RM431,215,000 fairly reflects its recoverable amount as the basis used may not reflect the higher of its net selling price and value in use;*
  - (d) *the uncertainty as to whether approval will be obtained by a subsidiary as regard to the supplemental concession agreement submitted to the Government of Malaysia (the “Government”) to vary certain of the terms as dealt with in the original highway concession agreement;*



- (e) *their inability to determine whether the carrying amount of the Company's investment in the subsidiary whose matters are dealt with in paragraphs 3 (b), (c) and (d) of RM190,000,000 reflects the recoverable amount of the investment;*
- (f) *their inability to determine whether the carrying amount of certain of the Group's shop lots included in inventories of RM2, after a write down from their costs of RM63,989,000, represented the net realisable value; and*
- (g) *their inability to satisfy themselves as to the appropriateness of the going concern basis of preparing the financial statements of the Group and the Company.*

*They were of the opinion that the accounting and other records and the registers required by the Companies Act 1965 (the "Act") to be kept by the Company and certain subsidiaries of which they have acted as auditors have not been properly kept in accordance with the provisions of the Act. They were also unable report on certain matters as required under Section 174 of the Act in so far as they relate to the subsidiaries mentioned in paragraph 2(a).*

*Certain comparative information included in the financial statements of the Group for the year ended 30 June 2004 have been restated in view of the prior year adjustment as disclosed in Note 43 to the financial statements.*

4. *Except for those discussed in paragraph 5, we conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.*
5. *Unaudited management financial statements of certain subsidiaries have been used for the preparation of the financial statements of the Group due to the inavailability of their audited financial statements. The details of these subsidiaries together with the analysis of the aggregate unaudited amounts of income statement and balance sheet items relating to these subsidiaries that have been included in the financial statements of the Group are disclosed in Note 13 to the financial statements. We are unable to ascertain the possible adjustments to the consolidated financial statements that might have been necessary had the audited financial statements of these subsidiaries been made available.*
6. *As at 30 June 2005, the Group and the Company have net current liabilities of RM547,929,000 and RM338,590,000 respectively and capital deficiencies of RM335,339,000 and RM252,391,000 respectively. However, as mentioned in Note 2 to the financial statements, the financial statements of the Group and the Company have been prepared on the basis of accounting applicable to a going concern. This going concern basis presumes that the Group and the Company will be able to operate profitably in the foreseeable future and that the necessary funding requirements will be made available, and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The validity of the going concern assumption depends on:*
  - (a) *the Government approving the supplemental concession agreement which seeks to vary certain of the terms as dealt with in the original concession agreement as disclosed in Note 12 to the financial statements;*
  - (b) *the successful implementation of the proposed transactions for IJM Corporation Berhad to participate in the highway concession, the approvals from the shareholders of the Company and from the Government for the novation of the concession of which have obtained subsequent to the balance sheet date, as disclosed in Note 42 to the financial statements; and*
  - (c) *the successful implementation of the proposed restructuring scheme of the Group as disclosed in Note 42 to the financial statements.*

*The financial statements do not include any adjustments that would result if any of these events are not concluded successfully without any material modifications within the anticipated time frame.*

7. *Because of the significance of the matters discussed in paragraphs 5 and 6, we are unable to form an opinion on whether the financial statements are properly drawn up in accordance with the provisions of the Act and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:*
  - (a) *the state of affairs of the Group and the Company as at 30 June 2005 and of the results and the cash flows of the Group and the Company for the year ended on that date; and*
  - (b) *the matters required by Section 169 of the Act to be dealt with in the financial statements of the Group and the Company.*
8. *We are unable to ascertain the validity of certain development costs brought forward from 30 June 2004 and included in highway development expenditure of a subsidiary, Kaseh Lebuhraya Sdn Bhd, as complete documentary records are not available for our examination. An impairment loss on these development costs have been recognised in the income statements of the previous financial year as disclosed in Note 43 to the financial statements. In our opinion, except for this matter, the accounting and other records and registers required by the Companies Act 1965 to be kept by the Company and by the subsidiaries of which we have acted as auditors, as indicated in Note 13 to the financial statements, have been properly kept in accordance with the provisions of the said Act.*
9. *Except for those subsidiaries for which the audited financial statements are not available as discussed in paragraph 5, we have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors as indicated in Note 13 to the financial statements, being financial statements that are included in the Group's financial statements.*
10. *Except for those subsidiaries for which the audited financial statements are not available as discussed in paragraph 5, we are satisfied that the financial statements of the subsidiaries 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 Group's financial statements and we have received satisfactory information and explanations required by us for those purposes.*
11. *Except for those subsidiaries for which the audited financial statements are not available as discussed in paragraph 5, and the subsidiaries whose the auditors expressed a disclaimer of opinion, as indicated in Note 13 to the financial statements, the auditors' reports on the financial statements of the other subsidiaries were not subject to any qualification and did not include any comment (or any adverse comment) made under Subsection (3) of Section 174 of the Act.*

The Company is currently taking necessary steps and actions to recover the written down assets as mentioned in the qualified audited accounts.

### **A 3. Seasonal or Cyclical Factors**

The operations of the Group and the Company are not subject to seasonal or cyclical fluctuations.

### **A 4. Unusual Items**

Other than as disclosed, there were no unusual items that affected the assets, liabilities, equity, net income and cash flows in the current quarter and in the financial year-to-date.

### **A 5. Changes in Estimates**

The current quarter ended 31 March 2006 was not affected by any material changes in the estimates of amounts reported in prior financial quarters and previous financial year.

### **A 6. Debt And Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial period to date.

**A 7. Dividend Paid**

The Board does not recommend any payment of dividend for the quarter ended 31 March 2006.



## A.8 Segmental Reporting

	Healthcare RM'000	Property RM'000	Trading RM'000	Infra- structure RM'000	Investment Holdings RM'000	Others RM'000	Elimina- tion RM'000	Group RM'000
<b>REVENUE</b>								
External revenue	20,051	9,344	28,429	-	1,163	-	-	58,988
Inter-segment revenue	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>20,051</b>	<b>9,344</b>	<b>28,429</b>	<b>-</b>	<b>1,163</b>	<b>-</b>	<b>-</b>	<b>58,988</b>
<b>RESULT</b>								
Segment results	695	1,217	(255)	(1,084)	(8,650)	1	-	(8,076)
Interest expense	(470)	(384)	-	(12)	(15,533)	-	-	(16,399)
Share of results of associated companies	-	-	-	-	8,007	-	-	8,007
Profit/(Loss) from ordinary activities before taxation	225	833	(255)	(1,096)	(16,176)	1	-	(16,468)
Income tax	(38)	-	-	-	(2,340)	-	-	(2,378)
Profit/(Loss) from ordinary Activities after taxation	187	833	(255)	(1,096)	(18,516)	1	-	(18,846)
Minority interest	-	-	102	-	-	-	-	102
<b>Net profit/(loss) for the year</b>	<b>187</b>	<b>833</b>	<b>(153)</b>	<b>(1,096)</b>	<b>(18,516)</b>	<b>-</b>	<b>-</b>	<b>(18,745)</b>
<b>Other Information</b>								
Segment assets	(2,024)	58,066	12,788	491,365	95,650	(10,023)	-	645,822
Associated companies	-	-	-	-	48,921	4	-	48,925
Unallocated assets					6,479	149		6,628
<b>Total assets</b>	<b>(2,024)</b>	<b>58,066</b>	<b>12,788</b>	<b>491,365</b>	<b>151,049</b>	<b>(9,870)</b>	<b>-</b>	<b>701,374</b>
Segment liabilities	1	22,978	11,253	711,125	282,489	2,912	-	1,030,756
Unallocated liabilities	-	2,695	(108)	-	-	13	-	2,599
<b>Total liabilities</b>	<b>1</b>	<b>25,673</b>	<b>13,951</b>	<b>711,125</b>	<b>282,489</b>	<b>2,925</b>	<b>-</b>	<b>1,033,355</b>
Depreciation	35	107	8	43	571	-	-	764

ANTAH



GROUP

#### **A.9 Valuation of Property, Plant and Equipment**

There were no changes to the valuation of property and equipment brought from the previous annual financial statements. All properties of the Group are carried at costs.

#### **A.10 Changes In Composition Of The Group**

There were no changes in the composition of the Group for the current quarter and financial year to-date except for the followings:

- a) On 14 September 2005, the Company completed the disposal of 11,000,000 ordinary shares of RM1.00 each in Antah Sri Radin Sdn Bhd (“ASR”) representing the entire issued and paid up capital of ASR by the Company to Allied Corporate Resources Sdn Bhd (“Allied”) for a cash consideration of 3,900, 000. As such, ASR ceased to be a subsidiary of the Group. ASR is principally involved in the marketing of medical equipment and scientific supplies which includes a wide range of medical instruments for neurosurgery to diagnostic bio medic instrumentation and handling turnkey hospital and laboratory projects.
- b) Restructuring Scheme as disclosed in Note B8.

#### **A.11 Changes In Contingent Liabilities/Contingent Assets**

There were no major changes of contingent liabilities since the last balance sheet date.

By Order of the Board  
Chua Siew Chuan  
Secretary  
30 May 2006

