



## Quarterly Compliance Report based on AAOIFI Shariah Mandate (Annual-2010)

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### Plus Expressways Berhad (PLUS MY)

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#### Description

PLUS Expressways Berhad is a Malaysia-based investment holding company. The Company is engaged in providing expressway services through the operation and maintenance of a tolled expressway network

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#### Company Status

IdealRatings analysts have issued a new report regarding the company:

<b>Name:</b>	Plus Expressways Berhad
<b>Ticker:</b>	PLUS MY
<b>Country:</b>	Malaysia
<b>Core Business Activity:</b>	Highways / Railtracks
<b>Exchange:</b>	Bursa Malaysia
<b>Compliance Status:</b>	Shariah-compliant

#### Overview

IdealRatings reviewed the most recent financial statements (Annual-2010) for Plus Expressways Berhad. The report has been prepared to determine the Shariah-compliance status of the company based on the AAOIFI Shariah mandate.

#### Business Screening

Based on the business of the company, the core activity is compliant.

The group is primarily engaged in the operation and maintenance of toll roads and expressways. Thus, it is to be considered Shariah-compliant from a business perspective.

Based on the company's latest Annual statement (2010), the non-permissible income including interest

income only represents 2.7% of the total revenue and thus is not exceeding the 5% threshold level as defined by AAOIFI.

Therefore the status of the company from a business activity is as follows:

	Threshold	Company	Compliance
<b>Non-permissible Income</b>	5%	Does not Exceed 5%	<b>PASS</b>

### Financial Screening

According to the most recent available financial statement with adequate information (2010-Annual) the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:

	Threshold	Industries	Compliance
<b>Interest-bearing Investments</b>	30%	5.14%	<b>PASS</b>
<b>Interest-bearing Debts</b>	30%	9.34%	<b>PASS</b>
<b>Liquidity</b>	67%	32.53%	<b>PASS</b>
<b>Share Type (Preference or Common)</b>	Common	Common	<b>PASS</b>

#### **Borrowings and debt securities**

Details of Group borrowings and financial liabilities as at 31 December 2010 are as follows:

	Long term borrowings/ financial liabilities			Short term borrowings/ financial liabilities		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Islamic Financial Liabilities</u></b>						
- Senior Sukuk	1,350,000	-	1,350,000	550,000	-	550,000
- Sukuk Series 1	1,491,547	-	1,491,547	384,016	-	384,016
- Sukuk Series 2	1,507,544	-	1,507,544	-	-	-
- Sukuk Series 3	1,821,749	-	1,821,749	-	-	-
- Seafield Sukuk	862,137	-	862,137	-	-	-
- KLBK BAIDS	167,534	-	167,534	4,943	-	4,943
- PLUS SPV Sukuk	1,429,054	-	1,429,054	-	-	-
	8,629,565	-	8,629,565	938,959	-	938,959
<b><u>Other borrowings</u></b>						
- Elite GSL	389,916	-	389,916	-	-	-
- Linkedua GSL	1,256,803	-	1,256,803	-	-	-
- BKSP Term Loan (denominated in Indian Rupees)	-	-	-	2,254	-	2,254
- BKSP CP (denominated in Indian Rupees)	-	-	-	131,844	-	131,844
- INIPPL Term Loan (denominated in Indian Rupees)	178,086	-	178,086	6,847	-	6,847
	1,824,805	-	1,824,805	140,945	-	140,945
<b>TOTAL</b>	10,454,370	-	10,454,370	1,079,904	-	1,079,904

(Source: Financial Statement)


Due to the IdealRatings methodology which differentiates between interest-bearing debts & Shariah-compliant borrowing such as Sukuks, and based on the debt ratio calculation of the AAOIFI Shariah mandate: interest-bearing debt to 12-month average market capitalization, the figure above shows that about 87% of the company's borrowings are Shariah-compliant. The borrowings are mainly in the form of Sukuk & KLBK BAIDS which is a form of Islamic loan while conventional debt contribution to the borrowing scheme is only 13%.

If total figures for debt would have been used, the company would have failed.

### **Compliance Status**

Based on the available information and the above figures according to the AAOIFI Shariah mandate **Plus Expressways Berhad** is to be considered **Shariah-compliant**.





## Disclosures

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