

Elite and Linkedua to contribute 11% revenue

Acquisition of expressways to bring immediate benefits to PLUS

KUALA LUMPUR: PLUS Expressways Bhd expects to see 11% contribution to group revenue from its acquisition of Expressways Lingkaran Tengah Sdn Bhd (Elite) and Linkedua (M) Bhd.

Chairman Tan Sri Mohd Sheriff Mohd Kassim was optimistic of the acquisitions as both expressways were fully operational, thus providing immediate benefits compared with a greenfield project, which would entail a long gestation period and higher risks associated with construction.

"Elite and Linkedua's revenue and operating results have been on an uptrend based on the audited consolidated financial statements for the year ended Dec 31, 2006 and we expect this momentum to continue," he said after shareholders approved the proposed acquisitions at an EGM yesterday.

PLUS acquired 100% equity interest in Elite and Linkedua from UEM Group Bhd for RM866mil cash, which was funded entirely through borrowings.

On completion of the acquisitions, PLUS intends to carry out a debt restructuring exercise for both companies. As at Dec 31, 2006, Elite and Linkedua had total borrowings of RM1.16bil and RM918.33mil respectively.

Sheriff added that PLUS would benefit from



Tan Sri Mohd Sheriff Mohd Kassim

early participation in the upside potential of Linkedua, which was expected to experience increased traffic volume in tandem with the anticipated rise in economic activities in Iskandar Development Region.

Meanwhile, Elite was expected to profit

from the Government's efforts in developing the tourism industry, resulting in traffic flow growth to and from KL International Airport and the low-cost carrier terminal.

The acquisitions are also in line with PLUS' key performance indicators which include, among others, achieving 20% growth in total lane-kilometre length of expressways by end-2008, and 10% growth by end-2009. It also aims to derive at least 15% of its total revenue from new businesses by the end of next year.

"Elite and Linkedua will contribute 16%, or a total of 573 lane-km of expressways," Sheriff said, adding that PLUS was looking at more viable investment opportunities locally and overseas but declined to elaborate.

On the Indonesian project, Sheriff said PLUS was in the midst of organising the financing, which would be finalised by early next year.

In September, PLUS was part of a consortium that won the bid for a portion of the Cimanggis-Citibung toll road in Indonesia on a build-operate-and-transfer basis. The concession would be for 35 years from the date of the proposed execution of the relevant concession agreement.

On the proposed 10% toll hike in January, PLUS was still waiting for government's announcement on the matter, he added.

NEW ON THE MARKET



Kasturi Technology Sdn Bhd has launched three new high-definition (HD) video communications products - LifeSize Express, LifeSize Team MP and LifeSize Conference. LifeSize products are fully standards-compliant and can inter-operate with nearly any videoconferencing system built within the last seven years. About the size of a wireless router, LifeSize Express costs about RM25,000. LifeSize Team MP is priced at RM36,000 while LifeSize Conference costs less than RM150,000.



Intel Corp recently unveiled i6 server and high-end PC processors. Besides increasing computer performance and saving energy, these processors eliminate eco-unfriendly lead and in 2008, halogen materials. The new 45-nanometre Hi-k Intel Xeon processors boast nearly twice the transistor density of previous chips built on Intel's 65nm technology.

Many companies need 'quick fixes' to comply with CSR rules

KUALA LUMPUR: As the deadline approaches for listed companies to issue a corporate social responsibility (CSR) statement in the annual report in compliance with the new Bursa Malaysia requirements, many companies will need "quick fixes", said Price-waterhouseCoopers (PwC) managing director Azizan Zakaria.

According to chapter 9 on *Continuing Disclosure* under Bursa's listing requirements announced last September, from financial year ending Dec 31, 2007, listed issuers are to provide a description of their CSR activities or practices, including that of their subsidiaries,

or if there are no such activities or practices, a statement to that effect.

Speaking to reporters after a breakfast briefing to clients on CSR reporting yesterday, Azizan said some companies already had some form of CSR reporting either in an annual report or a separate report.

"I think the challenge will be (deciding) how much more will need to be included in a report," he added.

On the "quick fix", Azizan said the new regulation did not require listed companies to do a lot as yet, as long as they could report on the CSR activities that they had undertaken.

"The requirement also says that if you didn't have any CSR activities, just say so," he said. However, going forward, companies would need to think about adopting best practices.

PwC executive chairman Datuk Johan Raslan said Malaysian companies were already quite advanced in CSR but needed more awareness of the environmental aspect.

London-based, PwC LLP partner Geoff Lane said Malaysia, being rich in forested areas, had an advantage as the global community began looking at valuing the environment and issues of climate change and deforestation.

He said the environmental agenda was

something that had become very strong in Britain and the European Union.

"In the past two to three years any company that has 'direct interface' with the consumer has had to respond to corporate responsibility pressures," he said.

An example was grocery store chains in Britain that had been competing to "out-green" each other as the most environmental-friendly and organic of grocers, he said.

According to a PwC report, of the present FTSE 250 index companies, 83% are issuing CSR reports, while amongst the FTSE 100 that figure is 100%.

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