

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2011

PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS 139)

1. Basis of Accounting and Accounting Policies

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new/revised Financial Reporting Standards (FRSs): Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption form Comparative FRS 7 Disclosure for First-time Adopters - Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share Based Payment Transactions
Amendments to FRS 7	Financial Instruments: Disclosure – Improving Disclosure about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfer of Assets from Customers
Improvements to FRSs (2010)	

Interpretation and amendments effective for annual periods beginning on or after 1 July 2011

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

FRS and Interpretation effective for annual periods beginning on or after 1 January 2012

FRS 124	Related Party Disclosure (revised)
IC Interpretation 15	Agreements for Construction of Real Estate

3. Declaration of audit qualification

The preceding audited financial statements of the Company were reported without any qualification.

4. Seasonal or Cyclical Factors

The Group's business operations for the quarter ended 30 June 2011 were not materially affected by significant seasonal or cyclical fluctuations.

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5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 30 June 2011.

6. Changes in estimates

There were no major changes in estimates that have had a material effect in the current quarter.

7. Segmental Information

	REVENUE		PROFIT BEFORE TAX	
	3 months ended	6 months ended	3 months ended	6 months ended
	30.06.2011	30.06.2011	30.06.2011	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Construction, rehabilitation and maintenance	91,219	158,769	10,588	20,729
Engineering services	22,474	36,997	7,632	8,276
Training	744	1,648	(1,372)	(1,998)
Trading	33,017	63,437	2,213	3,443
Education	10,197	19,335	1,269	1,504
Property development	4,665	13,209	272	1,335
Others	18,002	19,126	17,182	16,752
Eliminations	(27,348)	(37,611)	(16,696)	(16,731)
Group	152,970	274,910	21,088	33,310
Finance Cost			(487)	(953)
Consolidated			20,601	32,397

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8. Valuation of property, plant and equipment

The Group did not carry out any valuation on property, plant and equipment during the current quarter under review.

9. Subsequent events

There were no significant events subsequent to the end of current quarter under review.

10. Changes in Composition of the Group

There were no changes in the composition of the Group during the interim period ended 30 June 2011.

11. Contingent Liabilities

The changes in contingent liabilities are as follows:

	<u>As at</u> <u>30.06.2011</u>	<u>As at</u> <u>31.12.2010</u>
	(RM'000)	(RM'000)
Guarantees given to financial institutions in respect of credit facilities granted to subsidiary companies	234,119	182,236
Corporate guarantees given to suppliers for credit facilities granted to subsidiary companies	32,740	30,690
Guarantee given to Government of Malaysia for repayment of advance payment	8,700	8,700
Guarantee given to Government of Malaysia for performance bond for services rendered	1,134	1,439
Performance guarantee extend to third parties	9,098	14,411

12. Capital Commitments

	<u>As at 30.06.2011</u>
	RM'000
Approved and contracted for	2,374
Approved but not contracted for	<u>18,678</u>
	<u><u>21,052</u></u>

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13. Dividend

No interim ordinary dividend has been declared for the financial quarter ended 30 June 2011.

In respect of the financial year ended 31 December 2010, dividend paid were as follows;

	<u>RM'000</u>
Interim single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 December 2010, paid on 18 January 2011	14,833
Final single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 December 2010, paid on 15 July 2011	14,833

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PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD BURSA

14. Review of Performance of the Group

Compared to the corresponding quarter in previous year, the Group's turnover declined marginally from RM168.38 million to RM152.97 million. Profit before tax in the current quarter recorded RM20.60 million, or 4% down compared to RM21.48 million registered in the same period last year. The lower contribution from overseas operation was the main factor causing the decline in the results.

Compared to the year-to-date period last year, the Group's profit before tax declined from RM41.56 million to RM32.40 million in the current reporting period. Lower contributions from the construction, road rehabilitation and maintenance sector as well as the training sector were the main reasons affecting the overall results in the current year-to-date period.

15. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

The Group recorded profit before taxation (PBT) of RM20.60 million in the second quarter of 2011, representing a 75% increase in PBT compared to the immediate preceding quarter of RM 11.79 million. This was mainly contributed by the Engineering services sector which recorded significant higher billings compared to the first quarter of the year. Total turnover for the current quarter stood at RM152.97, or 25% higher compared to the immediate preceding quarter.

16. Commentary on Prospects

Amidst the uncertainty in the global economy and the challenging market environment, the Board of Directors is optimistic that the Group will remain resilient and profitable.

17. Profit Forecast or Profit Guarantee

Not applicable.

18. Taxation

	<u>3 months</u> <u>ended</u> 31.03.2011	<u>6 months</u> <u>ended</u> 30.06.2011
	<u>RM'000</u>	<u>RM'000</u>
Current provision	6,584	12,114
Deferred taxation	-	-
Total	6,584	12,114

The effective tax rates for the current quarter were higher than the statutory tax rate principally due to losses of certain subsidiary companies that cannot be offset against taxable profits made by the other subsidiaries and due to non-allowable expenses incurred.

19. Sale of Unquoted Investments and Properties

There were no sale of unquoted securities and properties during the current quarter.

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20. Quoted Securities

There was no purchase or sale of quoted securities during the current quarter.

21. Corporate Proposals

There were no corporate proposals announced but not completed during the current quarter.

22. Borrowings and Debt Securities

	<u>As at</u> <u>30.06.2011</u> RM'000	<u>As at</u> <u>31.12.2010</u> RM'000
Short term borrowings:		
Secured	29,406	31,459
Long term borrowings:		
Secured	4,220	3,198
Total borrowings	33,627	34,657

23. Short Term Investments

	<u>As at</u> <u>30.06.2011</u> RM'000	<u>As at</u> <u>31.12.2010</u> RM'000
Investments in money market funds	27,050	24,716

There were no material profits/ losses arise from the sale of the above investment as the capital value is preserved..

24. Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments as at the date of this announcement.

25. Material Litigations

There were no changes in material litigation since the last annual balance sheet date.

26. Earning Per Share

Basic	<u>3 months</u> <u>ended</u> 30.06.2011 RM'000	<u>6 months</u> <u>ended</u> 30.06.2011 RM'000
Net profit for the period	9,825	13,428
Weighted average number of ordinary shares in issue	296,667	296,667
Basic earnings per ordinary share (sen)	3.31	4.53

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27. Realised and unrealised profit/losses disclosure

On 25 March 2010, Bursa Malaysia Securites ("Bursa Securities") had issued directive to all listed issuers to disclose a breakdown of the inappropriate profits or losses into realised and unrealised profit or loss.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required. Pursuant to the directive, the breakdown of the retained profits of the Group as at 31 December 2010, into realised and unrealised profits is as follows:

	As at 30.6.2011 RM'000	As at 31.12.2010 RM'000
Total retained Profits		
- Realised	241,677	247,352
- Unrealised	(9,164)	(9,405)
	<u>232,513</u>	<u>237,947</u>
Less : Consolidation adjustments	(73,697)	(72,906)
Total Group Retained Profits	<u><u>158,815</u></u>	<u><u>165,041</u></u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No 1, issued by the Malaysian Institute of Accountant on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Securities and should not be applied for any other purpose.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the directors on 23 August 2011.