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| 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.

1. **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 from 1 January 2011.

Interpretations and amendments effective for annual periods from 1 January 2011

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards

- Limited Exemption from 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/after 1 July 2011

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendment to IC Interpretation 14 Prepayments of a Minimum Funding Requirement

**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 31 Dec 2011 were not materially affected by significant seasonal or cyclical fluctuations.

#### 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 31 Dec 2011.

#### Changes in estimates

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

1. **Segmental Information (Nett of Inter-Segment Elimination)**



**Note : Analysis on segmental performance is presented in Note 14 below in accordance to the amendments to Main Market Listing Requirements in relation to disclosure and other obligations and corporate disclosure guide effective financial year ended 31 Dec 2011.**

**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**

During the year ended 31 December 2011, there were no material changes in the composition of the Group.

**11.** **Contingent Liabilities**

The changes in contingent liabilities are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | As at 31.12.2011 | As at 31.12.2010 | |
|  | (RM’000) | (RM’000) | |
| Guarantees given to financial institutions in respect of credit facilities granted to subsidiary companies | 262,170 | 182,236 |
| Corporate guarantees given to suppliers for credit facilities granted to subsidiary companies | 33,990 | 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 | 912 | 1,439 |
| Performance guarantee extended to third parties | 8,009 | 14,411 |
|  |  |  | |

**12. Capital Commitments**

|  |  |  |
| --- | --- | --- |
|  | As at 31.12.2011 |  |
|  | RM’000 |  |
| Approved and contracted for | 3,879 |  |
| Approved but not contracted for | 10,490 |  |
|  | 14,369 |  |

1. **Dividend**

Other than specifically disclosed below, no other dividends were declared or paid for the financial period ended 31 December 3011

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

**RM’000**

Interim single tier dividend of 5 sen per ordinary share in respect of the 14,833

financial year ended 31 December 2010, paid on 18 January 2011

Final single tier dividend of 5 sen per ordinary share in respect of the financial 14,833

year ended 31 December 2010, paid on 15 July 2011

In respect of the financial year ending 31 December 2011, the Board of Directors in accordance with the resolution of the directors on 23 November 2011 has approved the following:

**RM’000**

## Interim single tier dividend of 4 sen per ordinary share 11,867

## paid on 9 January 2012

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## BURSA

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| PART B - | EXPLANATORY NOTES PURSUANT TO PART A OF APP’X 9B OF THE MAIN MARKET |
|  | LISTING REQUIREMENT OF BURSA MALAYSIA SECURITES BERHAD BURSA |

**14. Analysis of Unaudited Performance of the Group by Operating Segment (Amendment to Main Market Listing Requirement effective financial quarter ended 31 Dec 2011)**

With an additional RM249 million recorded for the 4th quarter of 2011, the Group’s turnover for the financial year ended 31 Dec 2011 stood at RM699 million. Profit before tax (PBT) and Profit after taxation and minority interest (PATAMI) for the 4th quarter 2011 stood at RM22.6 million and RM11.6 million respectively, which was quite close to the corresponding quarter last year of RM22.8 million and RM11.7 million respectively.

Analysis of results by Operating Segment (nett of inter-segment sales) are as follows;

1. **Construction Contracts**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Qtr ended** | **Y-T-D ended** | **Qtr ended** | **Y-T-D ended** |
|  | **31.12.2011** | **31.12.2011** | **31.12.2010** | **31.12.2010** |
|  | RM’000 | RM’000 | RM’000 | RM’000 |
| Revenue | 176,101 | 446,841 | 169,193 | 489,525 |
| Operating Profit / (Loss) | 14,376 | 46,609 | 13,931 | 63,689 |

Compared to previous year, turnover has declined by 13% due to the absence of Overseas Revenue (mainly from Libya). As a result of the non-recurrent impairment losses and write-offs in operations in Libya and China by approximately RM19 million, operating results for this segment was lowered by RM17 million or 27% compared to Yr 2010. The local segment business, which includes concession for road maintenance and rehabilitations works from federal and state government remains robust and profitable.

1. **Engineering Services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Qtr ended** | **Y-T-D ended** | **Qtr ended** | **Y-T-D ended** |
|  | **31.12.2011** | **31.12.2011** | **31.12.2010** | **31.12.2010** |
|  | RM’000 | RM’000 | RM’000 | RM’000 |
| Revenue | 28,740 | 96,116 | 49,569 | 105,557 |
| Operating Profit / (Loss) | 5,324 | 15,607 | 6,007 | 23,096 |

Turnover and operating results for 2011 was lowered due to the already completed, non-recurrent Federal Building Investigation Phase 1 project in previous year. The project was one-off and had been competed in early 2011. Other one-off large projects completed in 2010 in its Geotechnique units which was not repeated in 2011 was another factor causing the lower operating results in this segment in 2011.

1. **Trading**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Qtr ended** | **Y-T-D ended** | **Qtr ended** | **Y-T-D ended** |
|  | **31.12.2011** | **31.12.2011** | **31.12.2010** | **31.12.2010** |
|  | RM’000 | RM’000 | RM’000 | RM’000 |
| Revenue | 25,407 | 111,575 | 36,762 | 108,743 |
| Operating Profit / (Loss) | 855 | 5,195 | 775 | 3,901 |

Operating results has improved by 33% in 2011 compared to previous year mainly due higher GP margin for its Bitumen sales 2011, which was about 9% compared to 5% only in previous year.

1. **Education & Training**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Qtr ended** | **Y-T-D ended** | **Qtr ended** | **Y-T-D ended** |
|  | **31.12.2011** | **31.12.2011** | **31.12.2010** | **31.12.2010** |
|  | RM’000 | RM’000 | RM’000 | RM’000 |
| Revenue | 16,411 | 49,123 | 13,326 | 43,697 |
| Operating Profit / (Loss) | 2,011 | 2,761 | 1,442 | 1,576 |

This segment registered better turnover and operating results mainly due to the impact of the revised tuition fees for the semester beginning Novermber 2009 for new students for the Kuala Lumpur Infrastructure University College (KLIUC). Higher revenue from research grants and consultancy services had also improve this segments overall results. However, the training units, which generally depends on the public sector’s budget allocations for training and development for its source of revenue, suffered losses in its business due to reduction in allocation by the public sector during the year.

1. **Property Development**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Qtr ended** | **Y-T-D ended** | **Qtr ended** | **Y-T-D ended** |
|  | **31.12.2011** | **31.12.2011** | **31.12.2010** | **31.12.2010** |
|  | RM’000 | RM’000 | RM’000 | RM’000 |
| Revenue | 1,178 | 16,487 | 10,359 | 20,235 |
| Operating Profit / (Loss) | 207 | 1,679 | 404 | 1,891 |

Presently this segment’s only project is the development of Unipark Suria Condominium in Kajang. Turnover and operating results were lower compared to corresponding period last year due to the Block B Unipark Suria Condominium nearing completion towards the end of the year 2011. Other project are still in early development stage and the results is anticipated to be recorded from Year 2012 and beyond.

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

Consistent with the trend in previous years, revenue for the last quarter of 2011 registered significant growth compared to the immediate preceding quarter. This was mainly due to increase business volume and allocation from the public sectors towards the final quarter of the year. Revenue for the quarter registered increased by 41.7% to RM249 million in the current quarter compared to the immediate past quarter. The increase is mainly contributed by the Engineering Services segment and the Construction Contracts segment.

Consequent to the above, the current quarter’s PBT recorded RM22.6 million, or 43.6% higher compared to the 3rd quarter of the year while PATAMI registered a surge of 90.4% to close at RM11.6 million.

**16. Commentary on Prospects**

The Group’s Business segments are expected to operate in a challenging environment in 2012. While the Engineering Services segment may experience decline in business volume due to the completion of the Government Concession in 2012, the expansion of Property Development segment should mitigate the effect of the overall results where the Group expects to unlock the value of its existing landbank. Losses from overseas investment are expected to be significantly reduced moving forward as most impairment losses had been accounted for in 2011.

The Board of Directors is reasonably optimistic that the Group would at least maintain its performance in the next financial year and hopefully improve towards the second half of 2012.

**17. Profit Forecast or Profit Guarantee**

Not applicable.

**18. Taxation**

|  |  |  |
| --- | --- | --- |
|  | 3 months  ended  31.12.2011 | 12 months  ended 31.12.2011 |
|  | RM’000 | RM’000 |
| Current provision | 6,886 | 24,663 |
| Deferred taxation | - | - |
| Total | **6,886** | **24,663** |

The effective tax rates for the current year were higher than the statutory tax rate principally due to losses of certain subsidiary companies and overseas investments 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.

**20. Quoted Securities**

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

1. **Corporate Proposals**

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

1. **Borrowings and Debt Securities**

|  |  |  |  |
| --- | --- | --- | --- |
|  | As at 31.12.2011 |  | As at  31.12.2010 |
|  | RM’000 |  | RM’000 |
| Short term borrowings: |  |  |  |
| Secured | 33,288 |  | 31,459 |
| Long term borrowings: |  |  |  |
| Secured | 4,287 |  | 3,198 |
|  |  |  |  |
| Total borrowings | 37,575 |  | 34,657 |

**23. Short Term Investments**

|  |  |  |  |
| --- | --- | --- | --- |
|  | As at 31.12.2011 |  | As at  31.12.2010 |
|  | RM’000 |  | RM’000 |
|  |  |  |  |
| Investments in money market funds | 27,311 |  | 27,386 |
|  |  |  |  |

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**

Other than stated below, there were no changes in material litigation since the last annual balance sheet date;

HCM Engineering Sdn. Bhd. (“HCM”), a wholly owned subsidiary of Protasco Berhad, received a winding up noticepursuant to Section 218(2) of the Companies Act, 1965 on 25 October 2011 arising from two judgments in default (of appearance) which was entered against them for the sum of RM507,661.78 in Shah Alam High Court Suit No: 22-1558-2010 and the sum of RM9,960,492.17 in Shah Alam High Court Suit No: 22-1559-2010 respectively. Both judgments were entered on 11 July 2011.

The judgement for RM507,661.78 is premised an alleged wrongful deductions from payments due to Menuju Asas Sdn Bhd in relation to “Projek Pembinaan Kem Group Gerak Khas - Fasa 1” in Mersing, Johor.

The judgement for RM9,960,492.17 is allegedly due to Menuju Asas Sdn Bhd, Mohd Redzuan Mohanan bin Abdullah (t/a Menuju Asas Enterprise) and Mohd Redzuan Mohanan bin Abdullah arising from HCM pursuant to the termination of the Settlement Agreement dated 6 May 2010 entered into between the said parties and HCM.

HCM has engaged a firm of solicitors to set aside both the judgments and resist any attempt to file a winding up petition premised on the said judgments which HCM contend is without merit.

On 10 November 2011, HCM has successfully obtained an interim stay order pending the next hearing date of the stay and setting aside applications for both suit No: 22-1558-2010 and suit No: 22-1559-2010. On the last mention date held on 10 February 2012, the Judge has directed both parties to finalise the exchange of affidavits and to file their written submission for both HCM's stay and setting aside applications simultaneously on or before 13 March 2012. Hearing dates for both HCM's stay and setting aside applications will be fixed during the next mention date on 13 March 2012.

**26. Earning Per Share**

|  |  |  |
| --- | --- | --- |
| **Basic** | 3 months  ended  31.12.2011 | 12 months  ended  31.12.2011 |
|  | RM’000 | RM’000 |
| Net profit for the period | 11,636 | 31,181 |
| Weighted average number of ordinary shares in issue | 296,666 | 296,666 |
| Basic earnings per ordinary share (sen) | 3.92 | 10.51 |

**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 unappropriate 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 |  | As at |
|  | 31.12.2011 |  | 31.12.2010 |
|  | RM'000 |  | RM'000 |
| Total retained Profits |  |  |  |
| - Realised | 254,755 |  | 247,352 |
| - Unrealised | (9,166) |  | (9,405) |
|  | 245,589 |  | 237,947 |
| Less : Consolidation adjustments | (76,068) |  | (72,906) |
| Total Group Retained Profits | 169,521 |  | 165,041 |

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 27 February 2012.