

**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2012**
**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 2011. 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 2011.

**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 2011 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 2012.

IC Interpretation 9      Extinguishing Financial Liabilities with Equity Instruments Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to MFRS 1)

Disclosures – Transfers of Financial Assets (Amendments to MFRS 7)

Deferred Tax: Recovery of Underlying Assets (Amendments to MFRS 112)

The adoption of the IC Interpretation and Amendments to MFRSs above did not have any financial impact on the Group as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1 July 2013

MFRS 10      Consolidated Financial Statements

MFRS 11      Joint Arrangements

MFRS 12      Disclosure of Interests in Other Entities

MFRS 13      Fair Value Measurements

MFRS 119      Employee Benefits (as amended in June 2011)

MFRS 127      Separate Financial Statements (as amended by IASB in May 2011)

MFRS 128      Investments in Associates and Joint Ventures (as amended by IASB in May 2011)

IC Interpretation 20      Stripping costs in the Production Phase of a Surface Mine

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)

Effective for annual periods commencing on or after 1 July 2014

Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)

Effective for annual periods commencing on or after 1 July 2015

MFRS 9      Financial Instruments (IFRS 9 issued by IASB in November 2009)

MFRS 9      Financial Instruments (IFRS 9 issued by IASB in October 2010)

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**2. Changes in Accounting Policies (Continued)**

IC Interpretation 20 will not have any financial impact to the Group as it is not relevant to the Group's operations. The financial effects of the above MFRSs are still being assessed due to complexity of these new MFRSs and Amendments to MFRSs, and their proposed challenges.

**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 2012 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 30 June 2012.

**6. Changes in estimates**

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

**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2012**
**7. Segmental Information**

<b>OPERATING SEGMENT</b>	<b>REVENUE</b>		<b>OPERATING RESULTS</b>	
	3 months ended	6 months ended	3 months ended	6 months ended
	<u>30.06.2012</u>	<u>30.06.2012</u>	<u>30.06.2012</u>	<u>30.06.2012</u>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Construction Contracts	112,027	175,830	18,285	28,033
Engineering Services	15,938	29,980	5,191	5,987
Trading	24,675	56,646	71	770
Education & Training	8,537	21,188	(2,043)	(1,401)
Property Development	(827)	621	1,231	1,248
Others & Eliminations	(1,906)	(6,910)	(167)	(11)
<b>GROUP</b>	<b>158,444</b>	<b>277,355</b>	<b>22,568</b>	<b>34,626</b>
Less : Finance Cost			(943)	(1,442)
Profit Before Tax			<b>21,625</b>	<b>33,184</b>

**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 from 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**

There was no material changes in the composition of the Group during the interim period ended 30 June 2012.

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**11. Contingent Liabilities**

The changes in contingent liabilities are as follows:

	<u>As at</u> <u>30.06.2012</u> (RM'000)	<u>As at</u> <u>31.12.2011</u> (RM'000)
Guarantees given to financial institutions in respect of credit facilities granted to subsidiary companies	258,570	227,326
Corporate guarantees given to suppliers for credit facilities granted to subsidiary companies	19,200	11,700
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	591	591
Performance guarantee extended to third parties	15,770	7,709

**12. Capital Commitments**

	<u>As at</u> <u>30.06.2012</u> RM'000
Approved and contracted for	953
Approved but not contracted for	<u>22,238</u>
	<u><u>23,191</u></u>

**13. Dividend**

No interim dividends were declared or paid for the financial period ended 30 June 2012

In respect of the financial year ending 31 December 2011, dividends paid were as follows;

	<u>RM'000</u>
Interim single tier dividend of 4 sen per ordinary share paid on 9 January 2012	11,867
Final single tier dividend of 4 sen per ordinary share paid on 12 July 2012	11,867

**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2012**
**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APP'X 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD BURSA**
**14. Analysis of Unaudited Performance of the Group by Operating Segment**

During the half year period ended 30 Jun 2012, the Group recorded turnover of RM277 million, marginally higher compared to RM275 million registered in the same period last year. Despite higher revenue from construction contracts segment, the consolidated group turnover figure was affected as other operating segments had posted lower revenue in the current year.

Due to a RM3.7 million realised foreign exchange losses recognized during the reporting period, the Group posted a lower profit after tax and non-controlling interests of RM12.7 million, which is slightly lower than RM13.4 million recorded in the corresponding period last year.

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

**i) Construction Contracts**

	<b>Qtr ended 30.06.2012 RM'000</b>	<b>Y-T-D ended 30.06.2012 RM'000</b>	<b>Qtr ended 30.06.2011 RM'000</b>	<b>Y-T-D ended 30.06.2011 RM'000</b>
Revenue	112,027	175,830	91,219	158,769
Operating Profit / (Loss)	18,285	28,033	10,588	20,729

Turnover for current year-to-date had increased by 10.7% as compared to the corresponding period last year, mainly due to new rates for road maintenance used in the billings. Consequently, operating profit recorded RM28 million, or 35.2% higher than previous year's corresponding period.

**ii) Engineering Services**

	<b>Qtr ended 30.06.2012 RM'000</b>	<b>Y-T-D ended 30.06.2012 RM'000</b>	<b>Qtr ended 30.06.2011 RM'000</b>	<b>Y-T-D ended 30.06.2011 RM'000</b>
Revenue	15,938	29,980	22,474	36,997
Operating Profit / (Loss)	5,191	5,987	7,632	8,276

Turnover for the segment declined by 19.0% in the half year ended 30 Jun 2012 compared to the same period in previous year. This was mainly due to the expiration of the 15 years concession granted to Kumpulan Ikram Sdn Bhd last year. Consequently operating profit for the segment declined by 27.7% compared to the corresponding period last year.

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**iii) Trading**

	<b>Qtr ended 30.06.2012 RM'000</b>	<b>Y-T-D ended 30.06.2012 RM'000</b>	<b>Qtr ended 30.06.2011 RM'000</b>	<b>Y-T-D ended 30.06.2011 RM'000</b>
Revenue	24,675	56,646	33,017	63,437
Operating Profit / (Loss)	71	770	2,213	3,443

The lower demand for Bitumen in the market had caused the Turnover for this segment for the half year ended 30 Jun 2012 to decline by 10.7% compared to the same period last year. Excess supply of Bitumen coupled with moderate demand from the civil construction industry this year had put pressure to the Gross Profit Margin and this has caused a negative effect to the bottom line of this division.

**iv) Education & Training**

	<b>Qtr ended 30.06.2012 RM'000</b>	<b>Y-T-D ended 30.06.2012 RM'000</b>	<b>Qtr ended 30.06.2011 RM'000</b>	<b>Y-T-D ended 30.06.2011 RM'000</b>
Revenue	8,537	21,188	10,941	20,983
Operating Profit / (Loss)	(2,043)	(1,401)	(103)	(493)

Operating loss for this segment increased from RM0.5 million to RM1.4 million for the first half of the year due to higher operating cost incurred in the University College. The higher operating cost includes advertising & marketing, payroll cost for PHD level academic staff and higher depreciation cost are part of the long term plan in the upgrading of the existing university college status to a full fledge university status in the foreseeable future. Stiff competition from other private institute of higher learning in the country had resulted in the lower growth in revenue in this segment.

**v) Property Development**

	<b>Qtr ended 30.06.2012 RM'000</b>	<b>Y-T-D ended 30.06.2012 RM'000</b>	<b>Qtr ended 30.06.2011 RM'000</b>	<b>Y-T-D ended 30.06.2011 RM'000</b>
Revenue	(827)	621	4,665	13,209
Operating Profit / (Loss)	1,231	1,248	272	1,335

The results of current year-to-date and the previous year's corresponding period for this segment are not comparable due to;

- i) The physical completion of Tower B, Unipark Suria condominium project in the beginning of this year.
- ii) The reversal of construction cost for the same project which was over provided in the previous financial year.

**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2012**
**15. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

No material changes in the current quarter as compared to the preceding quarter.

**16. Commentary on Prospects**

During the period under review, the maintenance division had received additional work orders in excess of RM60 million. The additional works is expected to be completed by early 2013.

Our De Centrum Development Sdn Bhd was issued a housing development license in early May 2012 for a mix development project in Unipark Suria, Kajang. The development is expected to contribute positively to the Group in the coming years as we unlock the value of the existing landbank. The Earthwork for the project has commenced as of reporting date.

Nevertheless, the Group faces some challenges during the current financial year due to open competition for its engineering services segment, potential further realized foreign exchange losses and the intense competition for new students in its Education segment.

Barring unforeseen circumstances, the Group remains positive of its overall performance in 2012 and will focus on improving operational efficiency and productivity to ensure sustainability and profitability in the future.

**17. Profit Forecast or Profit Guarantee**

Not applicable.

**18. Taxation**

	<u>3 months</u> <u>ended</u> <u>30.06.2012</u>	<u>6 months</u> <u>ended</u> <u>30.06.2012</u>
	RM'000	RM'000
Current provision	7,955	11,325
Deferred taxation	-	-
<b>Total</b>	<b>7,955</b>	<b>11,325</b>

The effective tax rates for the current year 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.

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**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.

**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>30.06.2012</u> RM'000	<u>As at</u> <u>31.12.2011</u> RM'000
Short term borrowings:		
Secured	30,003	33,614
Long term borrowings:		
Secured	4,371	3,961
Total borrowings	34,374	37,575

**23. Short Term Investments**

	<u>As at</u> <u>30.06.2012</u> RM'000	<u>As at</u> <u>31.12.2011</u> RM'000
Investments in money market funds	32,392	30,901

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.



**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2012**
**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 notice pursuant to Section 218(2) of the Companies Act, 1965 on 25 October 2011 arising from two judgements 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.

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.

At the case management date on 10 August 2012, both parties have exchanged their written submission simultaneously. Meanwhile, the Court has fixed 17 Oct 2012 as the hearing date for the stay and setting aside applications for both suits.

**26. Earning Per Share**

<b>Basic</b>	<u>3 months</u> <u>ended</u> 30.06.2012	<u>6 months</u> <u>ended</u> 30.06.2012
Net profit attributable to ordinary shareholders (RM'000)	7,109	12,742
Weighted average number of ordinary shares in issue less Treasury Shares ('000)	296,665	296,665
Basic earnings per ordinary share (sen)	2.40	4.29

**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2012**
**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 30.06.2012 RM'000	As at 31.12.2011 RM'000
Total retained Profits		
- Realised	255,766	255,092
- Unrealised	(8,682)	(8,692)
	<u>247,084</u>	<u>246,400</u>
Less : Share of retained profits of associate	(1,636)	(1,676)
Less : Consolidation adjustments	(76,404)	(76,555)
Total Group Retained Profits	<u><u>169,044</u></u>	<u><u>168,169</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 30 August 2012.