

INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 Sept 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 Sept 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 SEPTEMBER 2012
7. Segmental Information

OPERATING SEGMENT	REVENUE		OPERATING RESULTS	
	3 months ended	9 months ended	3 months ended	9 months ended
	<u>30.09.2012</u>	<u>30.09.2012</u>	<u>30.09.2012</u>	<u>30.09.2012</u>
	RM'000	RM'000	RM'000	RM'000
Construction Contracts	147,642	323,472	37,675	65,708
Engineering Services	10,164	40,144	(3,170)	2,817
Trading	34,446	91,092	1,785	2,555
Education & Training	14,633	35,821	2,939	1,538
Property Development	2,426	3,047	(356)	892
Others & Eliminations	(2,638)	(9,548)	265	254
GROUP	206,673	484,028	39,138	73,764
Less : Finance Cost			(553)	(1,995)
Profit Before Tax			38,585	71,769

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 Sept 2012.

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11. Contingent Liabilities

The changes in contingent liabilities are as follows:

	<u>As at</u> <u>30.09.2012</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	266,570	227,326
Corporate guarantees given to suppliers for credit facilities granted to subsidiary companies	24,700	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	402	591
Performance guarantee extended to third parties	15,770	7,709

12. Capital Commitments

	<u>As at</u> <u>30.09.2012</u> RM'000
Approved and contracted for	2,363
Approved but not contracted for	<u>14,125</u>
	<u><u>16,488</u></u>

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13. Dividend

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

In respect of the financial year ending 31 December 2012, the Board of Directors has declared the following;

i) 1st interim single tier dividend per ordinary share	4 sen
ii) Special interim single tier dividend per ordinary share, to celebrate the Company's 10th year anniversary of its listing on Bursa Malaysia	6 sen
Aggregate	<u>10 sen</u>

The aggregate amount of interim dividends above amounted to RM29.666 million, computed based on the issued and paid up capital as at 30 Sept 2012 (excluding treasury shares) of 296,664,200 ordinary shares will be payable on **28 December 2012** to all shareholders whose names appear on the Register of Members on 17 December 2012.

The financial statements for the current financial period do not reflect this proposed dividend declaration.

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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 SECURITIES BERHAD BURSA
14. Analysis of Unaudited Performance of the Group by Operating Segment

During the nine months period ended 30 Sept 2012, the Group recorded turnover of RM484 million, representing a growth of 7.6% compared to RM450 million registered in the same period last year. The increase was largely contributed by higher revenue from construction contracts segment.

Due to improve operating margins, particularly in the construction contracts segment, the Group's operating profit and profit after tax registered growth of 48.6% and 66.0% respectively compared to the same period in previous year.

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

i) Construction Contracts

	Qtr ended 30.09.2012 RM'000	Y-T-D ended 30.09.2012 RM'000	Qtr ended 30.09.2011 RM'000	Y-T-D ended 30.09.2011 RM'000
Revenue	147,642	323,472	103,962	262,731
Operating Profit / (Loss)	37,675	65,708	11,503	32,232

Turnover for current year-to-date had increased by 23.1% as compared to the corresponding period last year, mainly due to additional work orders awarded to operating subsidiary in Sarawak. The revised rates for the periodic road maintenance had further enhanced the revenue for this segment in the reporting period. Consequently, operating profit recorded RM65.7 million, or 103.9% higher than previous year's corresponding period.

ii) Engineering Services

	Qtr ended 30.09.2012 RM'000	Y-T-D ended 30.09.2012 RM'000	Qtr ended 30.09.2011 RM'000	Y-T-D ended 30.09.2011 RM'000
Revenue	10,164	40,144	28,654	65,651
Operating Profit / (Loss)	(3,170)	2,817	1,692	9,968

Turnover for the segment declined by 38.9% for the nine months period ended 30 Sept 2012 compared to the same period in previous year. The significant drop 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 71.7% compared to the corresponding period last year.

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iii) Trading

	Qtr ended 30.09.2012 RM'000	Y-T-D ended 30.09.2012 RM'000	Qtr ended 30.09.2011 RM'000	Y-T-D ended 30.09.2011 RM'000
Revenue	34,446	91,092	37,341	100,778
Operating Profit / (Loss)	1785	2,555	896	4,339

For the nine months period ended 30 Sept 2012, turnover for this segment declined by 9.6% compared to the same period last year due to lower demand for Bitumen in the market. Average gross margin has declined and consequently, the operating profit for the segment declined by 41.1% compared to the corresponding period last year.

iv) Education & Training

	Qtr ended 30.09.2012 RM'000	Y-T-D ended 30.09.2012 RM'000	Qtr ended 30.09.2011 RM'000	Y-T-D ended 30.09.2011 RM'000
Revenue	14,633	35,821	11,729	32,713
Operating Profit / (Loss)	2,939	1,538	1,243	749

The revision of school fees with effect from 2010 for new student intake coupled with higher student numbers were the main contributor to higher revenue in this segment. The 9.5% increase in turnover has translated into better operating results were operating profit has doubled to RM1.5 million compared to RM0.75 million in the same period last year. The successful upgrading of KLIUC from University College status to full-fledged University status; currently known as IUKL, is expected to improve the bottom line of this segment in the future financial periods.

v) Property Development

	Qtr ended 30.09.2012 RM'000	Y-T-D ended 30.09.2012 RM'000	Qtr ended 30.09.2011 RM'000	Y-T-D ended 30.09.2011 RM'000
Revenue	2,426	3,047	2,100	15,309
Operating Profit / (Loss)	(356)	892	136	1,472

The results of current year-to-date and the previous year's corresponding period for this segment are not comparable due to the physical completion of Tower B, Unipark Suria condominium project in the beginning of this year. The other significant mixed development project, (De Centrum) is currently at its preliminary stage and is expected to contribute to the bottom line with effect from Year 2013.

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

There were no material changes in the current quarter as compared to the preceding quarter.

16. Commentary on Prospects

During the period under review, the road maintenance division had received additional work orders from the public sector. The additional works is expected to be completed by early 2013.

On 3rd Sept 2012, The Minister of Higher Education Malaysia has approved Kuala Lumpur Infrastructure University College (KLIUC) to be upgraded to a Full-Fledged University. With this advanced educational standing, KLIUC has been renamed IUKL or Universiti Infrastruktur Kuala Lumpur. This new milestone in the Group's education division is expected to attract more new students and more new higher education ventures to come in.

The Earthwork for our De Centrum project is progressing well. Official sales launch is expected to commence in the 4th quarter of the current financial year. This project is expected to contribute positively to the Group in the coming years as we unlock the value of the existing landbank.

However, the Group faces some challenges during the current financial year due to open competition for its engineering services segment and the weaker demand of the trading segment dealing mainly with trading of construction material.

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>30.09.2012</u>	<u>9 months</u> <u>ended</u> <u>30.09.2012</u>
	RM'000	RM'000
Current provision	10,063	21,388
Deferred taxation	-	-
Total	10,063	21,388

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>30.09.2012</u> RM'000	<u>As at</u> <u>31.12.2011</u> RM'000
Short term borrowings:		
Secured	31,725	33,614
Long term borrowings:		
Secured	4,405	3,961
Total borrowings	<u>36,130</u>	<u>37,575</u>

23. Short Term Investments

	<u>As at</u> <u>30.09.2012</u> RM'000	<u>As at</u> <u>31.12.2011</u> RM'000
Investments in money market funds	39,705	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 SEPTEMBER 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. At the hearing on 17 October 2012, HCM's setting aside application for both Shah Alam High Court Suit No: 22-1558-2010 and Shah Alam High Court Suit No: 22-1559-2010 were allowed with costs of RM3,000.00 (in total for both suits) to be paid by HCM to the Plaintiff, Menuju Asas Sdn Bhd. Since the setting aside application is allowed, HCM's application for a stay of execution is rendered academic and therefore the stay application was withdrawn with no order as to costs.

The Court has further directed HCM to file its Statement of Defence for both suits within 14 days from 17 October 2012. Pursuant to the said direction, HCM has filed its Statement of Defence for both suits in Court on 22 October 2012 and it was also served on the Plaintiff on the same day.

26. Earning Per Share

Basic	<u>3 months</u> <u>ended</u> 30.09.2012	<u>9 months</u> <u>ended</u> 30.09.2012
Net profit attributable to ordinary shareholders (RM'000)	17,992	30,734
Weighted average number of ordinary shares in issue less Treasury Shares ('000)	296,664	296,665
Basic earnings per ordinary share (sen)	6.06	10.36

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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 30 September 2012, into realised and unrealised profits is as follows:

	As at 30.09.2012 RM'000	As at 31.12.2011 RM'000
Total retained Profits		
- Realised	273,750	255,092
- Unrealised	(8,674)	(8,692)
	<u>265,075</u>	<u>246,400</u>
Less : Share of retained profits of associate	(1,636)	(1,676)
Less : Consolidation adjustments	(76,403)	(76,555)
Total Group Retained Profits	<u><u>187,036</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 28 November 2012.