



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 December 2009

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 31 December</i>		<i>12 months ended 31 December</i>	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	113,315	87,368	375,021	309,069
Cost of sales	(85,489)	(68,913)	(287,576)	(241,200)
Gross profit	27,826	18,455	87,445	67,869
Other income	624	354	823	625
Interest Income	326	235	1,488	738
Administrative expenses	(4,957)	(4,183)	(14,187)	(12,742)
Interest expense	-	-	-	(32)
Profit before taxation	23,819	14,861	75,569	56,458
Tax expense	(6,185)	(3,811)	(19,246)	(14,619)
Profit for the period	17,634	11,050	56,323	41,839
Attributable to:				
Equity holders of the Company	17,634	11,050	56,324	41,839
Minority interests	-	-	(1)	-
Profit for the period	17,634	11,050	56,323	41,839
Earnings per share				
Basic earnings per ordinary share (sen)	3.21	2.00	10.25	7.56
Diluted earnings per ordinary share (sen)	-	-	-	-

The notes set out on pages 5 to 6 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 December 2009

	31 December 2009 RM'000	31 December 2008 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	70,111	48,289
Prepaid lease payments	1,020	1,046
Land held for property development	66,721	72,153
	137,852	121,488
Current Assets		
Inventories	10,982	6,036
Property development costs	25,626	20,834
Trade and other receivables	226,935	196,308
Deposits, cash and bank balances	76,360	56,942
	339,903	280,120
TOTAL ASSETS	477,755	401,608
EQUITY		
Share capital	116,535	116,535
Capital redemption reserves	2,165	2,165
Retained earnings	193,967	144,237
Treasury shares	(20,706)	(20,296)
Total Equity Attributable to Equity Holders of the Company	291,961	242,641
Minority Interests	199	-
TOTAL EQUITY	292,160	242,641
LIABILITIES		
Non-current Liabilities		
Deferred tax liabilities	10,368	6,531
Current Liabilities		
Trade and other payables	170,609	148,864
Current tax liabilities	4,618	3,572
	175,227	152,436
TOTAL LIABILITIES	185,595	158,967
TOTAL EQUITY AND LIABILITIES	477,755	401,608
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)	0.53	0.44

The notes set out on pages 5 to 6 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 December 2009

	Year ended 31 December	
	2009 RM'000	2008 RM'000
Profit before taxation	75,569	56,458
Adjustments for:-		
Depreciation of plant, property and equipment	5,404	4,374
Amortisation of prepaid lease payments	25	25
(Gain) on disposal of property, plant & equipment	(547)	(65)
Property, plant & equipment written off	124	106
Interest income	(1,487)	(738)
Operating profit before changes in working capital	79,088	60,160
Changes in working capital		
Net change in inventories	(4,718)	(3,052)
Net change in property development costs	1,418	(175)
Net change in trade & other receivables	(31,768)	(58,183)
Net change in trade & other payables	22,882	64,851
Cash generated from operating activities	66,902	63,601
Overdraft interest capitalised	-	(32)
Taxes paid	(14,363)	(13,717)
Net cash generated from operating activities	52,539	49,852
Investing Activities		
Purchase of property, plant & equipment	(29,118)	(18,213)
Proceeds from disposal of property, plant & equipment	2,315	426
Land held for property development	(1,005)	(587)
Interest received	1,491	655
Issue of shares by a subsidiary to minority interests	200	-
Net cash used in investing activities	(26,117)	(17,719)
Financing Activities		
Purchase of own shares	(410)	(3,189)
Dividend paid	(6,594)	(13,103)
Net cash used in financing activities	(7,004)	(16,292)
Net Change in Cash & Cash Equivalents	19,418	15,841
Cash & Cash Equivalents at 1 January 2009 / 1 January 2008	56,492	40,651
Cash & Cash Equivalents at 31 December 2009 / 31 December 2008	75,910	56,492

The notes set out on pages 5 to 6 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2009

	-----Non-distributable-----			Distributable		MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	CAPITAL REDEMPTION RESERVE RM'000	TREASURY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
Year ended 31 December 2009							
Balance at 1 January 2009	116,535	2,165	(20,296)	144,237	242,641	-	242,641
Profit for the year	-	-	-	56,324	56,324	(1)	56,323
Dividend – 2008 final	-	-	-	(2,473)	(2,473)	-	(2,473)
Dividend – 2009 interim	-	-	-	(4,121)	(4,121)	-	(4,121)
Treasury shares, at cost	-	-	(410)	-	(410)	-	(410)
Issue of shares by a subsidiary to minority interests	-	-	-	-	-	200	200
Balance at 31 December 2009	116,535	2,165	(20,706)	193,967	291,961	199	292,160
Year ended 31 December 2008							
Balance at 1 January 2008	116,535	2,165	(17,107)	115,501	217,094	-	217,094
Profit for the year	-	-	-	41,839	41,839	-	41,839
Dividend – 2007 final	-	-	-	(6,559)	(6,559)	-	(6,559)
Dividend – 2008 interim	-	-	-	(6,544)	(6,544)	-	(6,544)
Treasury shares, at cost	-	-	(3,189)	-	(3,189)	-	(3,189)
Balance at 31 December 2008	116,535	2,165	(20,296)	144,237	242,641	-	242,641

The notes set out on pages 5 to 6 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 31 December 2009

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS)134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB).

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008. It has been prepared in accordance with the same accounting policies adopted in the 2008 financial statements. The following FRSs, Admendments to FRSs and Intepretations that have been issued and are applicable to the Group but not yet effective and have not been applied to the Group:

Standard / Amendment / Interpretation	Effective date	
FRS 8	Operating Segments	1 July 2009
FRS 7	Financial Instruments:Disclosures	1 January 2010
Amendments to FRS101	Presentation of Financial Statements	1 January 2010
FRS 123 (revised)	Borrowing Costs	1 January 2010
FRS 139 and Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Improvements to FRSs (2009)		1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial statements (revised)	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010

The impact of applying FRS 7 and FRS139 in the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors, is not disclosed by virtue of the exemption given in the respective FRSs. The adoption of the other standards, amendments and interpretation above upon their effective dates are not expected to have any significant impact on the financial statements of the Group except for IC Interpretation (ICI) 15, Agreements for the Construction of Real Estate.

ICI 15 replaces existing FRS201²⁰⁰⁴ Property Development Activities and provides guidance on how to account for revenue from construction of real estate. The adoption of ICI15 by the Group in the financial statements for the year ending 31 December 2011, which is to be applied retrospectively, will result in a change in accounting policy in that the recognition of revenue from the property development activities will change from the percentage of completion method to the completed method. The potential impacts on the financial statements for the year ended 31 December 2009 on initial application are summarized as follows:

	As currently stated	Effects on adoption of ICI 15	If restated
	DR/(CR)	DR/(CR)	DR/(CR)
Balance sheet	RM'000	RM'000	RM'000
Property development costs	25,626	19,482	45,108
Inventories	10,982	2,095	13,077
Trade and other receivables	226,935	(12,016)	214,919
Advance from customers	-	(16,881)	(16,881)
Deferred taxation	(10,368)	1,825	(8,543)
Retained earnings	(193,967)	5,475	(188,492)

	As currently stated	Effects on adoption of ICI 15	If restated
	RM'000	RM'000	RM'000
Income Statement	RM'000	RM'000	RM'000
Revenue	375,021	(8,743)	366,278
Cost of sales	287,576	(6,439)	281,137
Profit before taxation	75,569	(2,305)	73,264
Tax expense	19,246	(576)	18,670
Profit for the year	56,323	(1,729)	54,594
Earnings per share (sen)	10.25	(0.31)	9.94



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

2. Seasonality and Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors except that the level of construction activities in the first quarter of the year and during rainy season is generally lower.

3. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year to date.

4. Changes in estimates

There were no changes in estimates reported in prior financial years that have a material effect in the current interim period.

5. Debt and Equity Securities etc

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

Share Buy Back

During the current quarter under review, the Company did not buy back any shares. As at 31 December 2009, a total of 33,179,100 shares purchased back were held as treasury shares with total cost of RM20,705,974 and all the repurchase transactions were financed by internally generated funds. None of the shares purchased back was resold or cancelled during the quarter under review.

6. Segmental Reporting

Business segments	12 months ended 31 December					
	Construction		Property development		Consolidated	
	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	345,642	277,192	29,379	31,877	375,021	309,069
Segment result	67,355	47,504	6,726	8,216	74,081	55,720
Interest income					1,488	738
Profit before tax					75,569	56,458
Tax expense					(19,246)	(14,619)
Profit for the period					56,323	41,839
Attributable to:						
Equity holders of the company					56,324	41,839
Minority interests					(1)	-
Profit for the period					56,323	41,839

The activities of the Group are carried out in Malaysia and as such, segmental reporting by geographical locations is not presented.

7. Dividend Paid

The first interim ordinary dividend of 5% per share less tax at 25% (less 33,179,100 treasury shares as at dividend entitlement date) totalling of RM4,121,227 for the year ended 31 December 2009 was paid on 8 October 2009.

8. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. The Group did not revalue any of its property, plant and equipment.

9. Subsequent Material Events

There were no material events subsequent to the end of the period reported on till the date of this quarterly report.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

11. Contingent Liabilities

There were no contingent liabilities in respect of the Group that have arisen since 31 December 2009 till the date of this quarterly report.

12. Commitments

The amount of commitments not provided for in the interim financial report as at 31 December 2009 are as follows:-

	<u>31 December</u>	
	2009	2008
	RM'000	RM'000
Approved and contracted for		
Acquisition of property, plant and equipment	<u>12,341</u>	<u>8,544</u>

13. Recurrent Related Party Transactions

The aggregate gross value of significant recurrent related party transactions for the twelve months ended 31 December 2009 were as follows:-

	<u>12 months ended 31 December</u>	
	2009	2008
	RM'000	RM'000
Aggregate gross value of significant recurrent related party transactions	<u>32,309</u>	<u>35,150</u>

The significant recurrent related party transactions comprise transactions with companies controlled by or connected to certain substantial shareholders and/or Directors of the Company, namely:

- i) Yii Chi Hau, Yu Chee Lieng, Yu Chee Hoe and Yii Chee Sing (Yu/Yii Brothers); and
- ii) Lau Kiing Kang and Lau Kiing Yiing (brothers-in-law of the Yu/Yii Brothers).

The above transactions have been entered into in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.

14. Key Management Personnel Compensation

	<u>12 months ended 31 December</u>	
	2009	2008
	RM'000	RM'000
Directors' compensation	4,136	3,914
Other key management personnel compensation	<u>3,257</u>	<u>2,927</u>



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS

For the quarter ended 31 December 2009

15. Review of Performance

The Group’s revenue for the quarter under review is RM113.32 million against the preceding year corresponding quarter’s figure of RM87.37 million. Net profit before tax of the Group for the current quarter is RM23.82 million as compared to RM14.86 million for the preceding year’s corresponding quarter.

16. Variation of Results against Immediate Preceding Quarter

The net profit before tax of the Group for the current quarter is RM23.82 million compared to RM20.67 million for the immediate preceding quarter on the back of the Group’s revenue of RM113.32 million and RM101.73 million respectively.

17. Current Year Prospects

With the coming on stream of the various projects to be implemented under the Government’s stimulus packages and the Sarawak Economic Corridor of Renewable Energy (SCORE), couple with value of projects in hand of about RM1.73billion, the Group has a firm outlook for 2010 and will strive to achieve a commendable results for 2010.

18. Actual profit vs forecast profit / Profit guarantee

This note is not applicable, as no profit forecast was published and the Group is not required to give any profit guarantee.

19. Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		12 months ended 31 December	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current Tax Expense - Malaysian				
Current quarter/year	3,993	3,531	15,438	13,951
(Over) provision in prior year	-	-	(29)	-
	3,993	3,531	15,409	13,951
Deferred Tax Expense - Malaysian				
Current quarter/year	2,192	349	3,837	895
Under provision in prior year	-	-	-	28
Effect of changes in tax rate	-	(69)	-	(255)
Total Taxation	6,185	3,811	19,246	14,619

Reconciliation of effective tax expense

Profit for the quarter/year	17,634	11,050	56,323	41,839
Total tax expense	6,185	3,811	19,246	14,619
Profit before taxation	23,819	14,861	75,569	56,458
Income tax using Malaysian tax rates	5,955	3,864	18,892	14,679
Effect of lower tax rate for a subsidiary	-	(8)	-	(30)
Non-deductible expenses	230	24	383	197
Effect of changes in tax rate		(69)	-	(255)
	6,185	3,811	19,275	14,591
(Over) provision in prior year	-	-	(29)	28
Tax expense	6,185	3,811	19,246	14,619



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2009

20. Unquoted Investments and/or Properties

On 8 December 2009, the Company subscribed additional 999,900 ordinary shares of RM1.00 each for a total consideration of RM999,000 in an existing wholly owned subsidiary, HSL Hydro Sdn Bhd, paid for in cash.

On 22 December 2009, the Company subscribed for 600,000 new redeemable preference shares of RM1.00 each at the issue price of RM100.00 per share in other existing wholly owned subsidiary, Hock Seng Lee Construction Sdn Bhd, by converting RM60 million out of the amount due from the subsidiary for that purpose.

21. Quoted Investments

(a) There were no purchases or disposals of quoted securities during the current quarter under review and therefore no profit or loss arising therefrom; and

(b) The Group has no other investments in quoted securities as at the end of the reporting period.

22. Status of Corporate Proposals

There was no corporate proposal announced but not completed at the date of this quarterly report.

23. Group Borrowings and Debt Securities

There were no borrowings and debt securities outstanding as at the end of the reporting period.

24. Off Balance Sheet Financial Instruments

The Group did not enter into any financial instruments with off balance sheet risk during the current quarter under review.

25. Material Litigation

There was no material litigation pending since 31 December 2009 till the date of this quarterly report.

26. Dividend

The directors has proposed a final ordinary dividend of 5% per share less tax and a special dividend of 2% per share less tax for the financial year ended 31 December 2009 for shareholders' approval at the forthcoming Annual General Meeting. The entitlement and payment date shall be announced in the near future.

27. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		12 months ended 31 December	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	17,634	11,050	56,324	41,839
Weighted average number of ordinary shares ('000)	549,496	551,557	549,607	553,363
Basic earnings per share (sen)	3.21	2.00	10.25	7.56

28. Audit Report

The auditors have expressed an unqualified opinion on the Group's and Company's statutory financial statements for the year ended 31 December 2008 in their report dated 26 February 2009.

29. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 February 2010.

Issue Date: 25 February 2010