



SALCON BERHAD (Company No: 593796-T)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012 - UNAUDITED**

	30/09/2012	31/12/2011	01/01/2011
	RM'000	RM'000	RM'000
		Restated	Restated
Assets			
Property, plant and equipment	39,227	28,842	8,467
Intangible assets	22,511	15,293	15,705
Concession intangible assets	164,076	119,767	99,368
Trade and other receivables	497,603	376,555	274,959
Investment properties	8,446	5,104	3,443
Investment in associate	31,119	28,650	30,690
Other investments	86	86	86
Deferred tax assets	2,420	2,420	2,420
Total non-current assets	<u>765,488</u>	<u>576,717</u>	<u>435,138</u>
Trade and other receivables, including derivatives	275,512	286,603	272,404
Inventories	5,945	2,940	5,421
Current tax assets	1,442	717	143
Assets classified as held for sale	-	-	653
Cash and cash equivalents	130,723	214,531	145,230
Total current assets	<u>413,622</u>	<u>504,791</u>	<u>423,851</u>
Total assets	<u><u>1,179,110</u></u>	<u><u>1,081,508</u></u>	<u><u>858,989</u></u>
Equity			
Share capital	260,869	237,154	236,774
Reserves	66,026	76,009	59,373
Retained earnings	71,585	76,235	26,958
Total equity attributable to owners of the Company	<u>398,480</u>	<u>389,398</u>	<u>323,105</u>
Non-controlling interests	<u>212,392</u>	<u>159,032</u>	<u>89,362</u>
Total equity	<u><u>610,872</u></u>	<u><u>548,430</u></u>	<u><u>412,467</u></u>
Liabilities			
Loans and borrowings	104,054	52,571	40,276
Deferred tax liabilities	481	402	79
Total non-current liabilities	<u>104,535</u>	<u>52,973</u>	<u>40,355</u>
Trade and other payables, including derivatives	212,022	227,768	205,519
Loans and borrowings	249,353	250,614	195,911
Current tax liabilities	2,328	1,723	4,737
Total current liabilities	<u>463,703</u>	<u>480,105</u>	<u>406,167</u>
Total liabilities	<u><u>568,238</u></u>	<u><u>533,078</u></u>	<u><u>446,522</u></u>
Total equity and liabilities	<u><u>1,179,110</u></u>	<u><u>1,081,508</u></u>	<u><u>858,989</u></u>
Net assets per share (RM)	0.76	0.82	0.68

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



SALCON BERHAD (Company No: 593796-T)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE CUMULATIVE THIRD QUARTER ENDED 30 SEPTEMBER 2012 - UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Year	Corresponding	Year	Corresponding
	Quarter	Quarter	Todate	Period
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	84,163	81,046	232,828	292,036
Cost of sales	(66,197)	(66,047)	(185,923)	(240,422)
Gross Profit	17,966	14,999	46,905	51,614
Other income	4,615	4,465	16,139	8,562
Other expenses	-	-	-	(39)
Tendering and distribution costs	(1,273)	(1,197)	(3,624)	(3,377)
Administrative expenses	(13,709)	(11,800)	(37,342)	(36,719)
Profit from operations	7,599	6,467	22,078	20,041
Interest expense	(3,975)	(2,683)	(13,350)	(6,400)
Interest income	1,361	439	7,874	996
Share of profit after tax and minority interest of associates	863	797	2,469	2,208
Profit before tax	5,848	5,020	19,071	16,845
Taxation	(1,091)	462	(3,943)	(2,260)
Profit for the period	4,757	5,482	15,128	14,585
Profit attributable to:				
Owners of the Company	418	3,204	3,176	7,866
Non-controlling interests	4,339	2,278	11,952	6,719
Profit for the period	4,757	5,482	15,128	14,585
Basic earnings per ordinary share (sen)	0.08	0.67	0.63	1.66
Diluted earnings per ordinary share (sen)	-	0.64	0.60	1.58

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE CUMULATIVE THIRD QUARTER ENDED 30 SEPTEMBER 2012 - UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	30/09/2012 RM'000	30/09/2011 RM'000	30/09/2012 RM'000	30/09/2011 RM'000
Profit for the period	4,757	5,482	15,128	14,585
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	(15,068)	15,920	(16,461)	13,045
Other comprehensive (loss)/income for the period, net of tax	(15,068)	15,920	(16,461)	13,045
Total comprehensive (loss)/income for the period	(10,311)	21,402	(1,333)	27,630
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(9,304)	10,043	(7,987)	12,763
Non-controlling interests	(1,007)	11,359	6,654	14,867
Total comprehensive (loss)/income for the period	(10,311)	21,402	(1,333)	27,630

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



SALCON BERHAD (Company No: 593796-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE CUMULATIVE THIRD QUARTER ENDED 30 SEPTEMBER 2012 – UNAUDITED**

	←← Attributable to Owners of the Company →→										
	←← Non – distributable →→					Distributable →→					
	Share capital	Share premium	Warrant reserve	Translation reserve	Share option reserve	Capital reserve	Revaluation reserve	Retained earnings	Total	Non- controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	236,774	36,445	22,150	(8,658)	778	-	150	35,466	323,105	89,362	412,467
- effect of adopting MFRSs	-	-	-	8,658	-	-	(150)	(8,508)	-	-	-
At 1 January 2011, restated	236,774	36,445	22,150	-	778	-	-	26,958	323,105	89,362	412,467
Total comprehensive income for the period	-	-	-	4,897	-	-	-	7,866	12,763	14,867	27,630
Share option exercised	380	53	-	-	1,298	-	-	-	1,731	-	1,731
Transfer to share premium for share options exercised	-	129	-	-	(129)	-	-	-	-	-	-
Acquisition by non-controlling interests	-	-	-	-	-	41,748	-	-	41,748	51,208	92,956
Dividends to shareholders	-	-	-	-	-	-	-	(7,115)	(7,115)	-	(7,115)
Dividends to minority interest	-	-	-	-	-	-	-	-	-	(2,478)	(2,478)
At 30 September 2011, restated	237,154	36,627	22,150	4,897	1,947	41,748	-	27,709	372,232	152,959	525,191
At 1 January 2012	237,154	36,627	22,150	6,227	2,347	-	150	84,743	389,398	159,032	548,430
- effect of adopting MFRSs	-	-	-	8,658	-	-	(150)	(8,508)	-	-	-
At 1 January 2012, restated	237,154	36,627	22,150	14,885	2,347	-	-	76,235	389,398	159,032	548,430
Total comprehensive income for the period	-	-	-	(11,163)	-	-	-	3,176	(7,987)	6,654	(1,333)
Share-based payment transactions	-	-	-	-	1,180	-	-	-	1,180	-	1,180
Issuance of shares - private placement	23,715	-	-	-	-	-	-	-	23,715	-	23,715
Acquisition by non-controlling interests	-	-	-	-	-	-	-	-	-	46,976	46,976
Dividends to shareholders	-	-	-	-	-	-	-	(7,826)	(7,826)	-	(7,826)
Dividends to minority interest	-	-	-	-	-	-	-	-	-	(270)	(270)
At 30 September 2012	260,869	36,627	22,150	3,722	3,527	-	-	71,585	398,480	212,392	610,872

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE CUMULATIVE THIRD QUARTER ENDED 30 SEPTEMBER 2012 – UNAUDITED**

	9 months Ended 30/09/2012 RM'000	9 months Ended 30/09/2011 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	19,071	16,845
Adjustments for :		
- Non-cash items	4,843	13,618
- Non-operating items	5,477	5,404
Operating profit before changes in working capital	<u>29,391</u>	<u>35,867</u>
Changes in working capital	<u>(27,767)</u>	<u>21,478</u>
Cash generate from operations	1,624	57,345
Income taxes paid	(4,092)	(3,219)
Interest paid	<u>(13,350)</u>	<u>(6,400)</u>
Net cash (used in)/generated from operating activities	<u>(15,818)</u>	<u>47,726</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	359	2,498
- Proceeds from disposal of assets classified as held for sale	-	653
- Proceeds from disposal of investment properties	-	1,615
- Disposal of subsidiary, net of cash disposed	-	91,981
- Acquisition of property, plant and equipment	(11,779)	(67,064)
- Acquisition of concession intangible assets	(45,029)	-
- Acquisition of subsidiary, net of cash acquired	(53,465)	(15,065)
- Acquisition of investment properties	-	(1,127)
- Prepayment of lease term	-	(6,840)
- Interest received	7,874	996
Net cash (used in)/generated from investing activities	<u>(102,040)</u>	<u>7,647</u>
<u>Cash flows from financing activities</u>		
- Net proceeds from issue of shares capital	23,715	433
- Proceeds from issuing of equity shares in a subsidiary to non-controlling interests	15,160	-
- Proceeds from bank borrowings	92,057	104,990
- Repayments of bank borrowings	(62,897)	(53,451)
- Dividends paid to shareholders of Salcon Berhad	(7,826)	(7,115)
- Dividends paid to non-controlling interests	(829)	(2,758)
- Payment of hire purchase liabilities	(3,670)	(1,622)
Net cash generated from financing activities	<u>55,710</u>	<u>40,477</u>
Exchange differences on translation of the financial statements of foreign entities	(25,536)	(1,646)
Net decrease in cash and cash equivalents	<u>(87,684)</u>	<u>94,204</u>
Cash and cash equivalents at beginning of period	<u>208,626</u>	<u>137,199</u>
Cash and cash equivalents at end of period	<u>120,942</u>	<u>231,403</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



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The cash and cash equivalents comprise the following balance sheet amounts:

	9 months Ended 30/09/2012 RM'000	9 months Ended 30/09/2011 RM'000
Cash and bank balances	69,144	91,517
Deposits placed with licensed banks	61,578	151,247
Bank overdrafts	(5,378)	(6,959)
	125,344	235,805
Less: Amount placed with debts service reserve accounts	(4,402)	(4,402)
	120,942	231,403

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE CUMULATIVE THIRD QUARTER ENDED 30 SEPTEMBER 2012

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 – Interim Financial Reporting

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 – Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It also complies with IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and with the explanatory notes attached herein. These explanatory notes 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 last audited financial statements for year ended 31 December 2011. The audited financial statements of the Group as at and for the year ended 31 December 2011 were prepared under Financial Reporting Standards (FRSs).

1.1 Significant Accounting Policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its audited financial statements of the Group as at and for the year ended 31 December 2011.

a) Property, plant and equipment

Under FRS, freehold lands and buildings were revalued in December 2007 and no later valuation has been recorded for these property, plant and equipment.

Upon transition to MFRSs, the Group elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRS. The revaluation reserve of RM150,000 at 1 January 2011, 30 September 2011 and 31 December 2011 was reclassified to retained earnings.

b) Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. The cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM8,658,000 (30 September 2011: RM8,658,000; 31 December 2011: RM8,658,000) were adjusted to retained earnings.

The reconciliation of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:



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Reconciliation of equity as at 1 January 2011

	FRS as at 01/01/2011 RM'000	Reclassifications RM'000	MFRS as at 01/01/2011 RM'000
Equity			
Revaluation reserve	150	(150)	-
Translation reserve	(8,658)	8,658	-
Retained earnings	35,466	(8,508)	26,958

Reconciliation of equity as at 30 September 2011

	FRS as at 30/09/2011 RM'000	Reclassifications RM'000	MFRS as at 30/09/2011 RM'000
Equity			
Revaluation reserve	150	(150)	-
Translation reserve	(8,658)	8,658	-
Retained earnings	36,217	(8,508)	27,709

Reconciliation of equity as at 31 December 2011

	FRS as at 31/12/2011 RM'000	Reclassifications RM'000	MFRS as at 31/12/2011 RM'000
Equity			
Revaluation reserve	150	(150)	-
Translation reserve	(8,658)	8,658	-
Retained earnings	84,743	(8,508)	76,235

At the date of authorization of these interim financial statements, the followings MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)*
- MFRS 127, *Separate Financial Statements (2011)*



- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)

2. Preceding Annual Financial Statement

The audit report of the Group's annual financial statements for the year ended 31 December 2011 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The principal activities of the Group are not subject to any seasonal or cyclical changes.

4. Unusual Items that Affect the Financial Statements

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the cumulative quarter ended 30 September 2012.

5. Material Changes in Estimates

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

6. Debt and Equity Securities

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the cumulative quarter ended 30 September 2012 other than the issuance of 47,430,780 new ordinary shares of RM0.50 each pursuant to the placement of new ordinary shares at RM0.50 each.



7. Dividends Paid

The dividend paid for the cumulative quarter ended 30 September 2012 is as follows:-

	Cumulative Quarter To-date 30/09/12 RM'000
First and final single tier dividend of 1.5 sen per share in respect of financial year ended 31 December 2011 was paid on 20 July 2012	<u>7,826</u>

8. Segmental Reporting

The segmental revenue and results of the Group for the cumulative quarter ended 30 September 2012 are as follows:-

	Constructions RM'000	Concessions RM'000	Others RM'000	Total RM'000
Revenue from external customers	82,207	140,743	9,878	232,828
Share of profit of associate	-	2,469	-	2,469
Segment profit	(7,368)	34,187	3,488	30,307
Depreciation and amortization	(977)	(3,103)	(1,680)	(5,760)
Finance costs	(76)	(12,482)	(792)	(13,350)
Finance income	1,515	6,349	10	7,874
Income tax expense	(1,044)	(2,919)	20	(3,943)
Profit after tax	(7,950)	22,032	1,046	15,128
Segment assets	289,549	800,545	89,016	1,179,110
<i>Included in the measure of segment assets are:</i>				
Investment in associate	-	31,119	-	31,119
Additions to non-current assets other than financial instruments and deferred tax assets	46	41,663	13,294	55,003

9. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the cumulative quarter ended 30 September 2012. The valuation of land and buildings have been brought forward without amendment from the previous annual audited report.



10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period up to 19 November 2012 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report), that have not been reflected in the financial statement for the interim period.

11. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date except for the following:-

- (i) Salcon Engineering Berhad, a wholly-owned subsidiary of Salcon Berhad, had on 8 March 2012 acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in Tanjung Jutaria Sdn Bhd (Company No. 979463-U) ("Tanjung Jutaria"), a shelf company incorporated in Malaysia, for a total consideration of RM2.00. Tanjung Jutaria was incorporated on 23 February 2012 in Malaysia. The authorised share capital of Tanjung Jutaria is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each while its issued share capital consists of 2 ordinary shares of RM1.00 each which have been fully paid. The intended business activity of Tanjung Jutaria is design and construction of water and waste water facilities.
- (ii) Salcon Berhad ("Salcon") had on 22 March 2012 acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in Salcon Development Sdn Bhd, a company incorporated in Malaysia, from Salcon Engineering Berhad which is a wholly owned subsidiary of Salcon, for a total cash consideration of RM2.00.
- (iii) On 28 March 2012, Salcon Development Sdn Bhd, a wholly-owned subsidiary of Salcon Berhad, had entered into several Share Sale Agreements with Wong Yoon Kim, Png Chiew Chuan and Mepro Holdings Berhad to acquire 500,001 ordinary shares of RM1.00 each representing 50% plus one (1) share of the issued and paid up share capital of Azitin Venture Sdn Bhd (Company No. 500677-T) ("AVSB"). The principal activity of AVSB is a property development company. The total cash consideration for the acquisition will amount to RM7,200,000.00
- (iv) On 21 May 2012, Salcon Berhad had entered into a Sale and Purchase Agreement with Darco Water Technologies Ltd (Registration No. 200106732C) for the acquisition of 15,461,076 ordinary shares of S\$1.00 each in Darco Environmental Pte Ltd (Registration No. 200107899E) ("Darco Environmental") representing 60% of the issued and paid up share capital of Darco Environmental for a cash purchase consideration of RMB95,830,690.00 (equivalent to RM47,474,524).
- (v) Salcon Berhad ("Salcon") had on 23 May 2012 acquired three (3) shelf companies namely Gerbang Mawar Sdn Bhd ("Gerbang Mawar"), Kencana Kesuma Sdn Bhd ("Kencana Kesuma") and Satria Megajuta Sdn ("Satria Megajuta"). Gerbang Mawar, Kencana Kesuma and Satria Megajuta each has an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of 2 ordinary shares of RM1.00 each. The intended principal activity of Gerbang Mawar, Kencana Kesuma and Satria Megajuta is renewal energy.
- (vi) Salcon Development Sdn. Bhd. ("SDSB"), a wholly-owned subsidiary of Salcon, had on 14 September 2012 acquired 2 Ordinary Shares of RM1.00 each, representing 100% equity interest in Nusantara Megajuta Sdn. Bhd. (Company No. 980648-A) ("NMSB"), a shelf company incorporated in Malaysia, for a total cash consideration of RM2.00 ("the Acquisition"). Subsequent to the Acquisition, NMSB shall become a wholly-owned subsidiary of SDSB, which in turn is a wholly-owned subsidiary of the Company. The intended principal activity of NMSB is property development.



12. Changes in Contingent Liabilities/Contingent Assets

The contingent as at financial period ended 30 September 2012 are as follows:-

	RM'000
Bank guarantees given to third parties relating to performance, tenders and advance payment bonds	103,289
Guarantees given in favour of third parties	<u>10,918</u>

13. Net assets (NA) per share

The NA per share is derived as follows:-

	RM'000
Shareholders funds	398,480
No. of shares	<u>521,738</u>
NA per share (RM)	<u>0.76</u>



B. ADDITIONAL DISCLOSURE PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Taxation

The breakdown of tax charge is as follows:-

	Current Quarter Ended 30/09/2012 RM'000	Cumulative Quarter To-date 30/09/2012 RM'000
Malaysian - current period	336	1,087
Overseas - current period	755	2,856
	1,091	3,943

The Group's lower effective tax rate (excluding the results of associates which is equity accounted net of tax) is mainly due to certain overseas income is exempted from tax.

2. Status of Corporate Proposals

- (i) The status of the utilisation of the proceeds arising from the disposal of 40% equity interest in Salcon Water (Asia) Limited to Challenger Emerging Market Infrastructure Fund Pte. Ltd. as at 19 November 2012 is as follows: (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

Purpose	Proposed Revised Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation		Explanation
				RM'000	%	
Future investments	84,380	(84,380)	24 months	Nil	Nil	Completed
Repayment of bank borrowings	10,000	(10,000)	12 months	Nil	Nil	Completed
Defraying estimated expenses relating to the Disposal	1,200	(1,200)	3 months	Nil	Nil	Completed
Total	95,580	(95,580)				

- (ii) The placement of 47,430,780 new ordinary shares of RM0.50 was completed and the shares were granted listing and quotation on the Main Board of Bursa Malaysia Securities Berhad on 20 March 2012. The status of the utilisation of the proceeds as at 19 November 2012 is as follows: (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).



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Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Estimated Timeframe for Utilisation	Deviation RM'000	%	Explanation
Repayment of existing borrowings	23,515	(8,000)	Within 24 months	Nil	Nil	Not completed
Estimated expenses for the placement	200	(200)	Within 3 months	Nil	Nil	Completed
Total	23,715	(8,200)		-	-	-

3. Group Borrowings and Debt Securities

Total Group borrowings as at 30 September 2012 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long Term Borrowings</u>			
Term loan	-	91,040	91,040
Finance lease creditors	13,014	-	13,014
	<u>13,014</u>	<u>91,040</u>	<u>104,054</u>
<u>Short Term Borrowings</u>			
Bank overdrafts	-	5,378	5,378
Term loan	-	239,273	239,273
Finance lease creditors	4,702	-	4,702
	<u>4,702</u>	<u>244,651</u>	<u>249,353</u>
Total Group Borrowings	<u>17,716</u>	<u>335,691</u>	<u>353,407</u>

Included in the above Group borrowings are the following loans denominated in Chinese Renminbi (RMB) :

	Foreign currency RMB'000	Equivalent RM'000
Short Term Borrowings (Unsecured)	<u>462,927</u>	<u>225,488</u>

4. Changes in Material Litigation

There was no material update as at 19 November 2012 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

5. Material Changes in the Results of the Current Quarter compared to that of the Preceding Quarter

For the current financial quarter, the Group revenue was higher by 21% and profit before tax was lower by 9% as compared with the immediate preceding quarter.



In the Concessions Division, revenue in the current financial quarter was higher by 15% as compared with the immediate preceding quarter. However, the profit recorded was 31% lower as compared with the immediate preceding quarter due to lower installation income.

In the Constructions Division, the losses before tax were reduced by 57% as compared to the immediate preceding quarter. Lower losses recorded as a result of higher revenue which was an increase of 35% as compared with immediate the preceding quarter.

For the Others Division, no material changes in revenue as compared to the immediate preceding quarter. However, this Division incurred a profit before tax amounting to RM314,000 as compared to loss before tax of RM54,000 in the immediate preceding quarter due to lower operating expenses.

6. Review of Performance of the Company and its Principal Subsidiaries

For the current financial quarter under review, the Group achieved higher revenues amounting to RM84.16 million as compared to RM81.05 million for the same period in the preceding year or an increase of 4%. Profit before taxation increased to RM5.85 million from RM5.02 million for the corresponding period in the preceding year.

The higher profit before tax was mainly attributed by the Concessions Division, whereby the revenue and profit before tax has increased by 66% and 95% respectively as compared to the same period in the preceding year. The improvement arises from higher installation income and finance income.

However, in the Constructions Division, revenue recorded in the current financial quarter was lower by 38% as compared to the same period in the preceding year mainly due to lower order book. As a result, the losses has increased to RM1.87 million as compared to profit before tax of RM711,000 in the same period of the preceding year.

In the Others Division, no material changes in revenue as compared to the same period in the preceding year. This Division recorded a lower profit before tax by 39% due to higher financing cost.

For the cumulative quarter to date, the Group recorded revenue and profit before tax of RM232.83 million and RM19.07 million as compared to RM292.04 million and RM16.85 million respectively for the corresponding cumulative quarter in the preceding year.

The Concessions Division recorded a higher profit before tax of RM24.95 million during the current cumulative quarter as compared to RM13.08 million for the same period in the preceding year which was attributed by the higher installation income and finance income.

In the Constructions Division, revenue was 59% lower when compared to the corresponding cumulative quarter in the preceding year as a result of lower order book. As a result, the division recorded a loss of RM6.91 million during the current cumulative quarter as compared to profit before tax of RM3.31 million for the same period in the preceding year.

The Others Division recorded a higher profit before tax of RM1.03 million due to new venture in transportation services as compared to profit before tax of RM451,000 for the same period in the preceding year.



7. Prospects

In view of the diminishing construction order book, the Group plan to diversify its revenue sources including property development which has growth prospect.

8. Variance of Profit Forecast / Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

9. Financial instruments - derivatives

As at 30 September 2012, the Group has the following outstanding foreign currency forward contracts under derivative financial instruments with the notional value of RM3.99 million:

Derivatives	Carrying Value RM'000	Fair Value RM'000
Foreign currency forward contracts – less than one year	50	50

10. Earnings Per Share

The basic and diluted earnings per share have been calculated based on the consolidated net profit attributable to equity holders of the parent for the period and the weighted average number of ordinary shares outstanding during the period as follows:

Basic earnings per share

	Current Quarter Ended 30/09/2012	Comparative Quarter Ended 30/09/2011	Cumulative Quarter To-date	
			30/09/2012	30/09/2011
Profit attributable to equity holders of the parent (RM'000)	<u>418</u>	<u>3,204</u>	<u>3,176</u>	<u>7,866</u>
<u>Weighted average number of ordinary shares</u>				
Issued ordinary shares at beginning of period ('000)	<u>474,308</u>	<u>473,548</u>	<u>474,308</u>	<u>473,548</u>
Effect of shares issued during the period ('000)	<u>47,431</u>	<u>1,820</u>	<u>32,890</u>	<u>613</u>
Weighted average number of ordinary shares ('000)	<u>521,739</u>	<u>475,368</u>	<u>507,198</u>	<u>474,161</u>
Basic earnings per share (sen)	0.08	0.67	0.63	1.66



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Diluted earnings per share

	Current Quarter Ended 30/09/2012	Comparative Quarter Ended 30/09/2011	Cumulative Quarter To-date	
			30/09/2012	30/09/2011
Profit attributable to equity holders of the parent (RM'000)	<u>418</u>	<u>3,204</u>	<u>3,176</u>	<u>7,866</u>
<u>Weighted average number of ordinary shares (diluted)</u>				
Weighted average number of ordinary shares as above ('000)	<u>521,739</u>	<u>475,368</u>	<u>507,198</u>	<u>474,161</u>
Effect of approved unexercised ESOS ('000)	<u>23,290</u>	<u>24,172</u>	<u>23,290</u>	<u>24,172</u>
Weighted average number of ordinary shares (diluted)	<u>545,029</u>	<u>499,540</u>	<u>530,488</u>	<u>498,333</u>
Diluted earnings per share (sen)	-	0.64	0.60	1.58

11. Realised and Unrealised Profits

	As at 30/09/2012 RM'000	As at 31/12/2011 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- Realised	104,499	108,811
- Unrealised	(6,885)	(6,433)
	<u>97,614</u>	<u>102,378</u>
Total share of retained profits from associated company:		
- Realised	9,319	6,850
Total share of retained profits from jointly controlled entities:		
- Realised	1,496	1,496
	<u>108,429</u>	<u>110,724</u>
Less: Consolidation adjustments	(36,844)	(34,489)
Total Group retained earnings as per consolidated accounts	<u>71,585</u>	<u>76,235</u>



12. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit before tax arrived at after (charging)/crediting the followings items:

	Current Quarter Ended 30/09/2012 RM'000	Cumulative Quarter To-date 30/09/2012 RM'000
Foreign Exchange Gain	14	735
Foreign Exchange Loss	(382)	(669)
Depreciation and amortization	<u>(1,545)</u>	<u>(5,760)</u>
	<u>(1,913)</u>	<u>(5,694)</u>

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 26 November 2012.

ON BEHALF OF THE BOARD

TAN SRI DATO' TEE TIAM LEE
Executive Deputy Chairman

Selangor Darul Ehsan
26 November 2012