

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter ended 31 March 2013

The figures have not been audited.

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	31 Mar 2013 RM'000	31 Mar 2012 RM'000	31 Mar 2013 RM'000	31 Mar 2012 RM'000
Revenue	23,278	14,427	23,278	14,427
Cost of Sales	(19,859)	(12,572)	(19,859)	(12,572)
Gross Profit/(Loss)	3,419	1,855	3,419	1,855
Other Income	52	1,355	52	1,355
Gain on disposal of investments	-	-	-	-
Administrative expenses	(1,182)	(1,548)	(1,182)	(1,548)
Operating expenses	(1,221)	(1,705)	(1,221)	(1,705)
Profit/(Loss) from operating activities	1,068	(43)	1,068	(43)
Finance income	1	17	1	17
Finance cost	(234)	(2,428)	(234)	(2,428)
Net Finance Costs	(232)	(2,411)	(232)	(2,411)
Share of results of associates	-	-	-	-
Profit/(Loss) before tax	836	(2,454)	836	(2,454)
Taxation	-	-	-	-
Profit/(loss) for the period	836	(2,454)	836	(2,454)
Other Comprehensive Income/(loss), net of tax				
Foreign Currency Translation differences for foreign operations	-	-	-	-
Other Comprehensive Income/(loss) for the period, net of tax	-	-	-	-
Total Comprehensive Income/(loss) for the period, net of tax	836	(2,454)	836	(2,454)
Profit/(loss) Attributable to:				
Owners of the Company	375	(2,618)	375	(2,618)
Non Controlling Interest	461	164	461	164
Profit/ (loss) for the period	836	(2,454)	836	(2,454)
Total Comprehensive Income/ (loss) attributable to:				
Owners of the Company	375	(2,618)	375	(2,618)
Non Controlling Interest	461	164	461	164
Total comprehensive Income/(loss) for the period	836	(2,454)	836	(2,454)
Basic earnings / (loss) per share attributable to owners of the Company (sen)	0.37	(2.57)	0.37	(2.57)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

The figures have not been audited.

	As at 31 Mar 2013 RM '000 (Unaudited)	As at 31 Dec 2012 RM '000 (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,456	1,608
Investment Properties	0	-
Land Held for Property Development	114,009	111,307
Other receivables	4,216	4,216
	<u>120,681</u>	<u>117,131</u>
Current Assets		
Amount due from customer on contract	1,152	1,099
Property Development Costs	17,894	15,527
Inventories	309	319
Trade Receivables	28,241	14,394
Other Receivables	28,304	28,487
Fixed Deposits	2,861	1,543
Cash and Bank Balances	4,390	2,482
	<u>83,151</u>	<u>63,851</u>
Properties classified as Land held for Sales	-	-
TOTAL ASSETS	<u>203,832</u>	<u>180,982</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	102,000	102,000
Foreign Exchange Reserves	5,092	4,907
Accumulated Losses	(158,339)	(158,716)
	<u>(51,247)</u>	<u>(51,809)</u>
Non-Controlling Interest	<u>1,453</u>	<u>992</u>
Total Equity	<u>(49,794)</u>	<u>(50,817)</u>
Current Liabilities		
Provision for liquidated ascertained damages	19,881	19,439
Short Term Borrowings	10,702	10,710
Trade Payables	71,146	49,972
Other Payables	151,897	151,292
Hire Purchase Payables	-	-
Tax payable	-	386
	<u>253,626</u>	<u>231,799</u>
Total Liabilities	<u>253,626</u>	<u>231,799</u>
TOTAL EQUITY AND LIABILITIES	<u>203,832</u>	<u>180,982</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>(0.50)</u>	<u>(0.51)</u>

Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the quarter ended 31 March 2013

The figures have not been audited.

<-----Attributable to Equity Holders of the Parent----->

	<u>Share Capital</u> (RM'000)	<u>Non-Distributable Foreign exchange Reserves</u> (RM'000)	<u>Distributable Accumulated Losses</u> (RM'000)	<u>Total</u> (RM'000)	<u>Non-Controlling Interest</u> (RM'000)	<u>Total Equity</u> (RM'000)
At 1 January 2013	102,000	4,907	(158,714)	(51,807)	992	(50,815)
Total Comprehensive Income/ (loss) for the period	-	185	375	559	461	1,020
At 31 March 2013	<u>102,000</u>	<u>5,092</u>	<u>(158,339)</u>	<u>(51,247)</u>	<u>1,453</u>	<u>(49,795)</u>

<-----Attributable to Equity Holders of the Parent----->

	<u>Share Capital</u> (RM'000)	<u>Non-Distributable Foreign exchange Reserves</u> (RM'000)	<u>Distributable Accumulated losses</u> (RM'000)	<u>Total</u> (RM'000)	<u>Non-Controlling Interest</u> (RM'000)	<u>Total Equity</u> (RM'000)
At 1 January 2012	102,000	4,969	(146,608)	(39,639)	642	(38,997)
Total Comprehensive loss for the quarter	-	-	(2,619)	(2,619)	(165)	(2,784)
Translation Reserves		1	-	1		1
At 31 March 2012	<u>102,000</u>	<u>4,970</u>	<u>(149,227)</u>	<u>(42,257)</u>	<u>477</u>	<u>(41,780)</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the quarter ended 31 March 2013

	3 months ended 31-Mar-13 RM'000	12 months ended 31 Dec 2012 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before tax	836	(16,707)
Adjustments for non-cash items:		
Bad Debt written off	-	34
Depreciation of Property, plant and equipment (PPE)	60	629
Deposit written off	-	33
Fair value adjustments on other receivable	-	659
Impairment of trade receivables	-	35
Impairment on other receivable	-	556
Gain on disposal of non current asset held for sale	-	(1,591)
Gain on Disposal of PPE	-	(532)
Provision for liquidated ascertained damages	-	2,529
Reversal of impairment on trade receivables	-	(604)
Reversal of impairment on other receivables	-	(17)
Reversal of over accruals	-	(1)
Writeback of provision for value added tax	-	(1,943)
Interest Expenses	234	9,112
Interest Income	(3)	(147)
Operating (loss)/profit before working capital changes	1,127	(7,955)
Decrease/(Increase) in working capital		
Land and property development costs	(2,703)	(1,417)
Amount owing by/to customer on contracts	(53)	(1,099)
Other receivables- Non Current assets	-	-
Property Development cost	(2,368)	-
Inventories	10	(145)
Trade receivables	(13,847)	(1,106)
Other receivables	183	(29,249)
Provision for liquidated ascertained damages	442	2,530
Progress billing	-	-
Trade Payables	21,174	18,210
Other Payables	610	95,789
Cash generated from/(used in) operations	3,448	83,513
Interest paid	(234)	(9,896)
Interest received	3	-
Tax (paid)/ recovery	-	(55)
Tax refund	-	2,595
Payment of Liquidated Ascertained Damages (LAD)	-	-
Exchange fluctuation adjustment	(231)	(7,356)
Net cash from operating activities	4,344	68,202
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of PPE	(924)	(327)
Proceeds from disposal of PPE	-	710
Net cash outflow on disposal of subsidiaries	-	-
Interest Received	-	147
Deposits for disposal of non current asset held for sale	-	3,837
	(924)	4,367
CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of term loan	-	(75,003)
Draw down of term loan	-	-
Repayment of hire purchase liabilities	-	(15)
	-	(75,018)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		
Effect of changes in foreign exchange	(185)	(62)
Cash and cash equivalent restricted	-	-
OPENING BALANCE	(1,082)	1,429
CLOSING BALANCE	2,153	(1,082)
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	4,391	2,482
Bank overdraft	(5,099)	(5,107)
Fixed deposits with licensed banks	2,861	1,543
	2,153	(1,082)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

NOTES TO THE INTERIM FINANCIAL REPORT 31 MARCH 2013

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures for the period in the current quarter to 31 March 2013 have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. These explanatory notes attached to the interim 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 2012.

2. Changes in accounting policies

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2012 except for the following new/revised FRSs, amendments to FRSs and IC Interpretations and will be effective for the financial periods as stated below:

		Effective date for financial periods beginning on or after
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9(IFRS 9 2009)	Financial Instruments	1 January 2015
MRS 9 (IFRS 9 2010)	Financial Instruments	1 January 2015

The above new MFRSs, revised MFRSs, IC Interpretations and amendments to MFRSs will be adopted in the annual financial statements of the Group when they become effective and the initial applications of these Standards and IC Interpretations will have no significant impact on the financial statements of the Group.

3. Audit report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2012 was an Emphasis of Matters due to the Group and the

Company incurring a net loss of RM11.76 million and RM15.13 million respectively during the financial year ended 31 December 2012. As at 31 December 2012, the Group's current liabilities exceeded its current assets by RM167.95 million and its shareholders' deficit amounted to RM50.82 million.

The Company has been an affected listed issuer under Amended PN17 of Bursa Malaysia Securities Berhad Main Market Listing Requirements since 31 July 2008. As at 13 May, 2013, Bursa Malaysia has approved the Proposed Regularisation Exercise and pending implementation of the scheme.

4. Segment information

By industry segment:

	Revenue		Profit after tax	
	Cumulative 3 Months		Quarter Ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Construction	10,571	-	(723)	(2,980)
Property development	6,000	8,577	1,532	553
Ready mixed concrete	6,707	5,850	23	(16)
Others	-	-	4	(11)
Total including inter-segment	23,278	14,427	836	(2,454)
Total	23,278	14,427	836	(2,454)

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow during the financial year ended 31 March 2013.

6. Material changes in estimates

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

7. Seasonal or cyclical factors

The Group's performance was not materially affected by any seasonal or cyclical factors save for unfavorable weather conditions, shortage of construction and increase in the cost of construction materials for the quarter under review.

8. Dividends paid

No dividends have been paid since the beginning of the current financial quarter.

9. Carrying amount of revalued assets

The valuations of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. No valuations have been undertaken in prior year.

10. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period to date.

11. Changes in composition of the Group

There is no change to the composition of the Group in the current quarter.

12. Changes in contingent liabilities

a) Group contingent liabilities

Type	31.3.2013 RM'000	31.3.2012 RM'000
Secured Bank Guarantee	4,610	-
Unsecured Bank Guarantee	42,237	-
Corporate Guarantee	10,000	-
Total	56,847	-

b) Apart from the above, there were no changes in contingent liabilities (other than the material litigation disclosed in Note 11 on Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad) since the last financial position as at 31 March 2013.

13. Subsequent events

Save and except for the announcements made by the Company on 28 February, 1 March, 25 March, 26 March, 29 March, 1 April, 8 April, 10 April, 12 April, 16 April, 24 April, 26 April, 30 April, 2 May and 13 May, the material litigation as disclosed below under explanatory note 11 Changes in Material Litigation and matters as set out herein, in the opinion of the Directors, the financial statements for the interim period have not been affected by any material event that has occurred between the end of the interim period and the date of this report.

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

31 March 2013

1. Review of Performance

The Group recorded a profit after tax of RM0.8 million and revenue of RM23.3 million for the current quarter ended 31 March 2013 as compared to a loss after tax of RM2.5 million on revenue of RM14.4 million for the corresponding quarter ended last year.

The Construction sector registered a loss after tax of RM0.7 million and revenue of RM10.6 million in the current quarter as compared to a loss after tax of RM3.0 million and nil revenue for the corresponding quarter in the previous year. Current quarter construction revenue was mainly contributed by Kem Askar Project in Johor.

The Property Development sector registered a profit after tax of RM1.5 million and revenue of RM6.0 million in the current quarter as compared to a profit after tax of RM0.5 million and RM8.6 million revenue for the corresponding quarter in the previous year. Revenue for the current quarter was derived from the current development of Parcel A shop offices.

The Ready Mix Concrete sector registered a profit after tax of RM23,000 and revenue of RM6.7 million in this quarter compared to a loss after tax of RM0.2 million and revenue of RM5.8 million in the corresponding quarter in the previous year. The higher revenue was due to the opening of 2 new plants in Jinjang and Cheras. However, profit margins were affected by high raw material prices and tightening raw material supplied in the industry.

2. Explanatory comments on any material change in the profit/ (loss) before taxation for the quarter reported as compared with the immediate preceding quarter

The Group registered an after tax profit of RM0.8 million in quarter one (1) 2013 as compared to an after tax profit of RM0.4 million in the previous quarter ended 31 December 2012. The improvement in the current quarter results was due to property development's segment recorded profit of RM1.5 million. However this profit was set off against construction sector's loss of RM0.7 million.

3. Prospects for the forthcoming financial period

The Company has on 28 September 2012, submitted its revised Proposed Regularisation Exercise under Practice Note 17 of Bursa Malaysia Securities Berhad Main Market Listing Requirement to regulatory authorities.

On 13 May 2013, the Company had received the approval from Bursa Malaysia to implement the Proposed Regularisation Exercise. Barring any unforeseen circumstances, the Proposed Regularisation Exercise is expected to be completed in fourth quarter 2013.

4. Variance of actual profit from forecast profit and shortfall in profit guarantee

This is not applicable.

5. Taxation

There is no tax liability for the current quarter due to sufficient accumulated tax losses brought forward from previous years to cover current tax liabilities.

6. Status of current corporate proposals

There were no other corporate proposals announced but not completed as at the date of this announcement, being the latest practicable date from the date of the issue of this quarterly report, other than the following:

- (a) On 31 July 2008, Ho Hup announced that it is an affected issuer under paragraph 2.1 (d) of PN17/2005 of Bursa Securities as the Company's auditors, had expressed a disclaimer opinion in the Company's audited accounts for the financial year (FYE) 31 December 2007.

On 28 September 2012, the Company announced that the revised Proposed Regularisation Plan was submitted to Bursa Securities.

The revised regularisation plan comprises the following:

(i) Proposed Par Value Reduction

Proposed share capital reduction of the existing issued and paid-up share capital of Ho Hup of RM102,000,408 comprising 102,000,408 ordinary shares of RM1.00 each, to RM51,000,204 comprising 102,000,408 ordinary shares of RM0.50 each ("Ho Hup Shares") to reduce the accumulated losses of Ho Hup;

(ii) Proposed Rights Issue of Irredeemable Convertible Preference Shares with Warrants

Proposed renounceable rights issue of 102,000,408 new Irredeemable Convertible Preference Shares ("ICPS") together with 51,000,204 free detachable warrants ("Warrants") at an issue price of RM0.50 per ICPS

on the basis of one (1) ICPS for every one (1) existing Ho Hup Share held together with one (1) Warrants for every two (2) ICPS subscribed held after the Proposed Par Value Reduction;

(iii) Proposed Scheme of Arrangement with Creditors

Proposed scheme of arrangement with the creditors of Ho Hup and BJD pursuant to Section 176 of the Companies Act, 1965 in respect of the amounts owing to the unsecured creditors of Ho Hup and BJD aggregating RM257.66 million as at 31 October 2010;

(iv) Proposed Amendments

Proposed amendments to the existing Memorandum and Articles of Association of Ho Hup to facilitate the reduction in the par value of the shares in Ho Hup from RM1.00 per share to RM0.50 per share resulting from the Proposed Par Value Reduction, the issuance of ICPS pursuant to the Proposed Rights Issue of ICPS with Warrants and the issuance of redeemable convertible preference shares ("RCPS") pursuant to the Proposed Scheme of Arrangement with Creditors; and

(v) Proposed Increase in Authorised Share Capital.

Proposed increase in authorised share capital involving the increase in the authorised share capital of Ho Hup from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 990,000,000 ordinary shares of RM0.50 each of Ho Hup Shares, 200,000,000 ICPS of RM0.01 par value each and 300,000,000 RCPS of RM0.01 par value each to accommodate the creation of ICPS and RCPS pursuant to the Proposed Rights Issue of ICPS with Warrants and Proposed Scheme of Arrangement with Creditors respectively and the issuance of new Ho Hup Shares in the future arising from the conversion of ICPS and RCPS and exercise of Warrants.

On 13 May 2013, Bursa Malaysia had approved the above plan subject to *inter alia*, the following conditions:

- i) HHC and M & A Securities Sdn Bhd to fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Regularisation Exercise.
- ii) HHC and M & A Securities to inform Bursa Securities upon completion of the Proposed Regularisation Plan; and
- iii) HHC to furnish Bursa Securities with written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Regularisation Exercise is completed.

- (b) The Company and its subsidiary BJDSB had on 20 October 2010 obtained an order from the High Court of Malaya at Kuala Lumpur pursuant to Section 176 of the Companies Act 1965 which *inter alia*, granted the Company leave to convene a Scheme Creditors meeting to consider and/or

approve the Proposed Restructuring Scheme (“PRS”) and Creditors Scheme of Arrangement (“CSOA”) and order that all further proceedings and/or action against Ho Hup including but not limited to winding up, execution and/ or arbitration proceedings be restrained for a period of 90 days from the date of the order (“RO”).

On 23 April 2013, the High Court of Malaya at Kuala Lumpur had further extended the restraining order in respect of Ho Hup and BJD for a further period of three (3) months from 24 April 2013.

7. Group borrowings and debt securities

	31.3.2013	31.3.2012
	RM'000	RM'000
(a) Short term borrowings denominated in Ringgit Malaysia:		
Secured	-	75,000
Unsecured	10,702	10,733
Total Borrowings	<u>10,702</u>	<u>85,733</u>

8. Derivative Financial instrument

For the quarter ended 31 March 2013, there have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial year. There have been no changes to the Group’s risk management objectives, policies and processes since the previous financial year end.

9. Gains and Losses arising from Fair Value Changes of Financial Liabilities

Financial liabilities are measured at the amortised cost method; hence no gains or losses are recognised for changes in the fair values of these liabilities.

10. Breakdown of Realised and Unrealised Profits and Losses of the Group

	At end of current quarter 31 December 2012 RM'000	At end of previous financial year 31 December 2012 RM'000
Accumulated Losses- Realised	(197,442)	(198,278)
Less: consolidated adjustments	39,103	39,562
	(158,339)	(158,716)

11. Changes in material litigation

- (a) On 9 March 2005, a subsidiary of the Company, Ho Hup Construction Company (India) Pte Ltd ("Ho Hup India") entered into a Joint Development Agreement ("JDA") with the Andhra Pradesh Housing Board ("APHB") to develop a piece of land situated at Kancha Imarat, Maheshwaran Mandal, Ranga Reddy District, Andhra Pradesh, India. Ho Hup India has been selected to implement the development of the said land into an integrated township with an approximate development value of India Rupee ("Rs") 3.6 billion at Shamshabad near Hyderabad. Ho Hup India shall pay APHB development fees of Rs101,175,000 over a period of 5 years.

This JDA was subsequently terminated by APHB. The Company is disputing termination on the grounds that APHB had yet to comply with its obligations in respect of the conditions precedent under the agreement.

On 2 May 2005, Ho Hup India commenced an arbitration claim for damages amounting to Rs.2,544,512,230 being the unlawful termination of the abovementioned contract.

The award in Ho Hup India's favour was published in May 2008. The Company has since appointed an advocate to represent Ho Hup India in respect of execution of the said award as well as the appeal lodged by APHB against same which is now fixed for hearing on 29 July 2013.

- (b) On the 31 July 2009, the Company was served by Dato' Low Tuck Choy ("Plaintiff") with a Writ of Summons vide KL High Court Civil Suit S-22-525-2009 dated 24 July 2009 seeking damages and injunctive relief. The statement of Defense was filed on 26 October 2009.

The matter is now fixed for further Case Management to file the Common Bundle of Documents on 27 June 2013 and Witness Statements on 27 August 2013 and fixed for Trial on 27 September, 29 October and 7 November 2013.

- (c) Dato' Low Tuck Choy ("DLTC") brought an action against the Company for reinstatement as managing director of the Company. DLTC's Solicitors subsequently filed their Statement of Case. The parties have since come to an amicable settlement via their entry into a Terms of Settlement on the 16 April 2013. Pursuant to the terms of same, a judgment by consent was recorded on the 6 May 2013.

- (d) On 9 June 2011, Zen Courts Sdn Bhd (“Zen Courts”) served a sealed copy of a Petition pursuant to Section 181 of the Companies Act, 1965 on Bukit Jalil Development Sdn Bhd (BJDSB), the Company and Ho Hup Equipment Rental Sdn Bhd (“HHER”) (“the Companies”) claiming, *inter alia*, that BJDSB and the Company have allegedly oppressed them and would not recognize their rights under a Joint Venture Agreement of the 12 September 1995.

On 27 March 2012, the Court, after hearing the Petition, ordered a buy-out of Zen Court’s stake in BJDSB by the Company (“Buy-Out Order”). The Court further ordered that a valuation be made on a net tangible assets basis as at the date of the Judgment to be valued by an Independent Valuer.

Pursuant to the said Order, Ferrier Hodgson Monteiro Heng Sdn Bhd (“FHMH”) was appointed as said Independent Valuer on the 19 June 2012. The valuation report was has since been issued by FHMH on the 31 December 2012.

Zen Courts subsequently filed two applications to review the valuation and for an interim payment of the amount so valued viz. RM35.97 million. The Company, as the putative vendor, filed an application to confirm the valuation pursuant to the Buy-Out Order. The matters came up for hearing on the 20 March 2013 wherein the Judge (in Court NCC 6) opined that the instant applications should be heard before the one which made the Buy-Out Order (now in the Court of Appeal),and, as such, the same were adjourned pending a date to be fixed. The Company’s Solicitors wrote to the Court of Appeal on the 14 March 2013 to request for same but were directed vide its letter of the 1 April 2013 that said applications should be heard before the presiding Judge in Court NCC6 instead. This matter is now fixed for hearing in respect of all the applications on the 24 June 2013.

- (e) On 9 September 2011, the Company filed Suit No. 22NCVC-873-09/2011 in the Kuala Lumpur High Court against Woo Thin Choy, the Company’s former Project Director. The Company claimed that the Defendant caused the Company to suffer loss and damages of USD 2.5 million and further alleged that the Defendant breached his fiduciary, contractual and/or common law duties owed to the Company.

The Company sought relief from Court for, *inter alia*, an order that the sum of USD2.5 million be paid by the Defendant. The Company also sought relief for an account of all sums received by the Defendant and all such assets or any part thereof as well as general damages arising from the Defendant’s breach of duty owed to the Company.

Subsequently, the Plaintiff filed an application for consolidation of the present suit with the one under Kuala Lumpur High Court Civil Suit No. S-22-525-2009 (“Civil Suit”). The same was heard on the 19 March 2012 and the judge allowed the case to be transferred to the court hearing the said Civil Suit. However, on the 10 October 2012, the

judge directed this matter to be tried separately and fixed the same for Case Management on the 6 December 2012 for the Defendant to file their list of witnesses. The Trial of this matter is now fixed from 17 to 20 June 2013.

Except as disclosed above, there were no other material changes in material litigation since the last annual financial year and made up to 22 May 2013, being the latest practicable date from the date of the issue of this quarterly report.

12. Dividends paid

No dividends have been proposed in respect of the financial year ended 31 December 2012.

13. Earnings per share

Basic earnings per share

Basic earnings per share for the financial period to-date are calculated by dividing the net profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Current quarter 31.03.2013	Preceding year corresponding quarter 31.03.2012	Financial period to- date 31.03.2013	Preceding year corresponding period to-date 31.03.2012
Net profit/(loss) for the period attributable to Owners of the Company (RM'000)	375	(2,454)	375	(2,454)
Weighted average number of ordinary shares ('000)	102,000	102,000	102,000	102,000
Basic earnings/(loss) per share (sen) attributable to owners of the Company	0.37	(2.57)	0.37	(2.57)

14. Profit/(Loss) before Tax

	Individual Quarter		Cumulative Quarter	
	3 Months ended		3 Months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Profit/(Loss) before tax is arrived at after charging:-				
Depreciation of property, plant and equipment	60	169	60	169
Interest expenses	234	2,429	243	2,429
And Crediting:-				
Gain on disposal of property, plant and equipment	-	(6)	-	(6)
Interest income	(1)	(17)	(1)	(17)
Reversal of provision no longer required		(1,300)		(1,300)

15. Comparative Figures

Certain comparative figures have been reclassified to conform to the current quarter presentation:

	As previously stated	Reclassified	As restated
	RM'000	RM'000	RM'000
Group Statement			
Of comprehensive Income			
Cost of sales	11,376	1,196	12,572
Operating expenses	2,901	(1,196)	1,705

By Order of the Board

Wong Kit-Leong
Executive Director
Kuala Lumpur
23 May 2013