HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter ended 30 September 2013

The figures have not been audited.

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Revenue	61,586	6,622	101,517	26,851
Cost of Sales	(53,346)	(6,446)	(88,320)	(30,591)
Gross Profit/(Loss)	8,240	176	13,197	(3,740)
Other Income	154	(272)	9,314	1,158
Gain on disposal of investments	-	-	-	-
Administrative expenses	(1,208)	(1,704)	(3,507)	(4,615)
Operating expenses	(2,725)	1,023	(7,092)	(3,236)
Profit/(Loss) from operating activities	4,460	(777)	11,912	(10,433)
Finance income	19	56	32	95
Finance cost	(244)	(1,498)	(720)	(6,394)
Net Finance Costs	(225)	(1,442)	(689)	(6,299)
Share of results of associates	-	-	-	-
Profit/(Loss) before tax	4,235	(2,219)	11,224	(16,732)
Taxation	-	2,306	-	4,592
Profit/(loss) for the period	4,235	87	11,224	(12,140)
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	4,235	87	11,224	(12,140)
Profit/(loss) Attributable to:				
Owners of the Company	2,773	(657)	9,597	(12,275)
Non Controlling Interest	1,462	744	1,627	135
Profit/ (loss) for the period	4,235	87	11,224	(12,140)
Total Comprehensive Income/ (loss) attributable to:				
Owners of the Company	2,773	(657)	9,597	(12,275)
Non Controlling Interest	1,462	744	1,627	135
Total comprehensive Income/(loss) for the period	4,235	87	11,224	(12,140)
Basic earnings / (loss) per share attributable to owners of the Company (sen)	**2.72**	**(0.64)**	**9.41**	**(12.03)**

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

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

The figures have not been audited.	As at 30 Sept 2013 RM '000 (Unaudited)	As at 31 Dec 2012 RM '000 (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,901	1,608
Land Held for Property Development	99,655	111,307
Other receivables	4,216	4,216
	106,772	117,131
Current Assets		
Amount due from customer on contract	2,217	1,099
Property Development Costs	33,059	15,527
Inventories	534	319
Trade Receivables	31,526	14,394
Other Receivables	38,798	28,487
Fixed Deposits	3,858	1,543
Cash and Bank Balances	4,041	2,482
	114,032	63,851
TOTAL ASSETS	220,805	180,982
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share Capital	102,000	102,000
Foreign Exchange Reserves	(484)	4,907
Accumulated Losses	(143,876)	(158,716)
	(42,361)	(51,809)
Non-Controling Interest	2,619	992
Total Equity	(39,742)	(50,817)
Current Liabilities		
Provision for liquidated ascertained damages	21,406	19,439
Short Term Borrowings	10,687	10,710
Trade Payables	41,250	49,972
Other Payables	187,205	151,292
Tax payable	-	386
	260,547	231,799
Total Liabilities	260,547	231,799
TOTAL EQUITY AND LIABILITIES	220,805	180,982
Net assets per share attributable to equity holders of the parent (RM)	**(0.42)**	**(0.51)**

Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Fina
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 30 September 2013

The figures have not been audited.

	<-------------Attributable to Equity Holders of the Parent------------>					
	Share Capital (RM'000)	Non-Distributable Foreign exchange Reserves (RM'000)	Distributable Accumulated Losses (RM'000)	Total (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
At 1 January 2013	102,000	4,907	(158,714)	(51,807)	992	(50,815)
Other Comprehensive Income for the period		(5,391)	5,241	(150)	-	(150)
Total Comprehensive Income/ for the period	-	-	9,597	9,597	1,627	11,224
At 30 September 2013	102,000	(484)	(143,876)	(42,361)	2,619	(39,742)

	<-------------Attributable to Equity Holders of the Parent------------>					
	Share Capital (RM'000)	Non-Distributable Foreign exchange Reserves (RM'000)	Distributable Accumulated losses (RM'000)	Total (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
At 1 January 2012	102,000	4,969	(146,608)	(39,639)	642	(38,997)
Total Comprehensive loss for the quarter	-	(36)	(12,275)	(12,311)	135	(12,176)
Translation Reserves			-	-		-
At 30 September 2012	102,000	4,933	(158,883)	(51,950)	777	(51,173)

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

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the quarter ended 30 September 2013

	9 months ended 30 Sep 2013 RM'000	12 months ended 31 Dec 2012 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,224	(16,707)
Adjustments for non-cash items:		
	-	
Bad Debt written off	-	34
Depreciation of Property, plant and equipment (PPE)	374	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	(1)	(532)
Gain on disposal of associated company	(9,164)	
Provision for liquidated ascertained dmanges		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	720	9,112
Interest Income	(18)	(147)
Operating (loss)/profit before working capital changes	**3,134**	**(7,955)**
Decrease/(Increase) in working capital		
Land and property development costs	11,651	(1,417)
Amount owing by/to customer on contracts	(1,118)	(1,099)
Property Development cost	(17,533)	
Inventories	(215)	(145)
Trade receivables	(17,132)	(1,106)
Other receivables	(1,147)	(29,249)
Provision for liquidated ascertained damages	1,966	2,530
Capital Work in Progress	-	-
Trade Payables	(8,722)	18,210
Other Payables	35,915	95,789
	3,667	**83,513**
Cash generated from/(used in) operations		
Interest paid	(720)	(9,896)
Interest received	18	
Tax (paid)/ recovery	-	(55)
Tax refund		2,595
Payment of Liquidated Ascertained Damages (LAD)	-	-
Exchange fluctuation adjustment	219	
	(483)	**(7,356)**
Net cash from operating activities	**6,317**	**68,202**
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of PPE	(2,421)	(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
	(2,421)	**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	3,896	(2,449)
Effect of changes in foreign exchange	-	(62)
Cash and cash equivalent restricted		
OPENING BALANCE	(1,082)	1,429
CLOSING BALANCE	**2,815**	**(1,082)**
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	4,041	2,482
Bank overdraft	(5,084)	(5,107)
Fixed deposits with licensed banks	3,858	1,543
	2,815	**(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

NOTES TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 30 September 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) MRS 9 (IFRS 9 2010)	Financial Instruments	1 January 2015
	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.

On 13 May 2013, Bursa Malaysia has approved the Proposed Regularisation Exercise and pending implementation of the scheme. Please refer to 6(a) in the Explanatory Notes for further details.

4. Segment information

Industry Segment	Cumulative 9 months			
	Revenue		Profit/(loss) attributable to owners of the Company	
	30.9.13 RM'000	30.9.12 RM'000	30.9.13 RM'000	30.9.12 RM'000
Construction	55,318	-	6,013	(12,182)
Property Development	22,703	8,576	5,453	597
Ready mixed concrete	23,415	18,275	(89)	(428)
Others	81	-	(153)	(127)
Total before non controlling interest	**101,517**	**26,851**	**11,224**	(12,140)
Non controlling interest	-	-	(1,627)	(135)
Total	**101,517**	**26,851**	**9,597**	**(12,275)**

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 30 September 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

Save for those disclosed below, there were no changes in the composition of the Group for the current quarter under review.

(a) The Company had on 30 May 2013 entered into an Agreement with Shanghai Dongyuan Investment Management Co., Ltd. ("Shanghai Dongyuan") to dispose of the shares held in Shanghai San Ho Hup Pile Co., Ltd ("SSHH"), at a total cash consideration of RMB39.2 million (approximately RM20.12 million) (100% equity). The Company's share of proceeds for its 45% shareholding in SSHH amounted to RMB17.64 million (approximately RM9.35 million). On 9 September 2013, the said disposal was completed.

12. Changes in contingent liabilities

a) Group contingent liabilities

Type	Group 30.9.2013 RM'000	Company 30.9.2013 RM'000	Group/Company 30.9.2012 RM'000
Secured Bank Guarantee	4,610	4,350	460
Unsecured Bank Guarantee	42,237	42,237	13,159
Corporate Guarantee	5,007	5,007	10,000
Total	51,854	51,594	23,619

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 date of statement of financial position.

13. Subsequent events

Save and except for the announcements made by the Company from 15 August 2013 to 29 November 2013, 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

30 SEPTEMBER 2013

1. Review of Performance

The Group achieved a profit after tax of RM4.2 million and revenue of RM61.6 million for the current quarter ended 30 September 2013 as compared to a profit of RM87 thousand on revenue of RM6.6 million for the corresponding quarter ended last year.

The Construction division registered a loss after tax of RM0.4 million and revenue of RM38.8 million in the current quarter as compared to a loss after tax of RM2.2 million and nil revenue for the corresponding quarter in the previous year. The construction sector has recorded a turnover of RM38.8 million and gross profit margin of RM1.4 million in current quarter from its existing project in Malaysia and Iraq. However, this profit is offset against operational cost mainly professional fees for the restructuring exercise.

The Property Development division registered a profit after tax of RM4.9 million and revenue of RM14.4 million in the current quarter as compared to a profit after tax of RM2.6 million and nil revenue for the corresponding quarter in the previous year. Revenue for the current quarter was derived mainly from the current development of Parcel A Aurora Place.

The Ready Mix Concrete division registered a loss after tax of RM0.1 million and revenue of RM8.3 million in this quarter compared to a loss after tax of RM0.3 million and revenue of RM6.6 million in the corresponding quarter in the previous year. The higher revenue is due to commissioning of 6 plants in current year as compared to 3 plants in previous year. Despite the higher revenue, the Ready Mix division registered losses due to startup cost for new plants and frequent increase in raw material cost which were unable to pass on to customer due to competitive pricing.

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 RM4.2 million in current quarter ended September 2013 as compared to an after tax profit of RM6.2 million in the previous quarter ended June 2013. The revenue increased by RM61.5 million mainly derived from construction division of RM38.8 million, property development division of RM14.4 million and ready mix of RM8.3 million. However, the profit is mainly contributed from profit development division which generate higher profit margin compared to construction division.

3. **Prospects for the forthcoming financial period**

On 28 September 2012, the Company 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.

On 10 October 2013, the Proposed Regularisation Exercise was approved by the shareholders in the Extraordinary General Meeting. On the same date, the Proposed Scheme of Arrangement with Ho Hup's and BJDSB's Creditors was approved by the respective Creditors in the Court Convened Meetings. The Court had on 22 October 2013 approved and sanctioned Ho Hup's Scheme of Arrangement with Creditors.

On 8 November 2013, the Court had granted an order confirming the Par Value Reduction pursuant to Section 64 of the Act and the sealed court order was duly lodged with the Registrar of Companies on 11 November 2013.

On 18 November 2013, the principal advisor M&A Securities, had on the Company behalf, announced that the Entitlement Date of the rights issue of Irredeemable Cumulative Preference Share (ICPS) has been fixed at 5.00 p.m. on 2 December 2013.

Barring any unforeseen circumstances, the Proposed Regularisation Exercise is expected to be completed in the early January 2014.

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 Bukit Jalil Development Sdn Bhd (BJDSB) pursuant to Section 176 of the Companies Act, 1965 in respect of the amounts owing to the unsecured creditors of Ho Hup and BJDSB 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) Ho Hup 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) Ho Hup and M & A Securities to inform Bursa Securities upon completion of the Proposed Regularisation Plan; and
iii) Ho Hup 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.

On 10 October 2013, the Proposed Regularisation Exercise was approved by the shareholders in the Extraordinary General Meeting. On the same date, the Proposed Scheme of Arrangement with Ho Hup's and BJDSB's Creditors was approved by the respective Creditors in the Court Convened Meetings.

24 October 2013, the High Court of Malaya at Kuala Lumpur granted the following under Sections 176 and 176(4) of the Companies Act, 1965:-

i) That the Court approved and sanctioned Ho Hup's Proposed Scheme of Arrangement with its creditors effect of which will bind its Scheme Creditors;

ii) That the Court approved and sanctioned BJDSB's Proposed Scheme of Arrangement with its creditors effect of which will bind its Scheme Creditors; and

iv) That Ho Hup and BJDSB be at liberty to apply for additional and/or consequential orders.

On 8 November 2013, the Court had granted an order confirming the Par Value Reduction pursuant to Section 64 of the Act and the sealed court order was duly lodged with the Registrar of Companies on 11 November 2013.

On 18 November 2013, the principal advisor M&A Securities, had on the Company behalf, announced that the Entitlement Date of the rights issue of Irredeemable Cumulative Preference Share (ICPS) has been fixed at 5.00 p.m. on 2 December 2013.

Barring any unforeseen circumstances, the Proposed Regularisation Exercise is expected to be completed in January 2014.

(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 17 July 2013, the High Court of Malaya at Kuala Lumpur had further extended the restraining order in respect of Ho Hup and BJDSB for a further period of six (6) months from 23 July 2013 to 23 January 2014 to convene the Scheme Creditors Meeting.

On 10 October 2013, the Proposed Regularisation Exercise was approved by the shareholders in the Extraordinary General Meeting. On the same date, the Proposed Scheme of Arrangement with Ho Hup's and BJDSB's Creditors was approved by the respective Creditors in the Court Convened Meetings. The Court had on 24 October 2013 approved and sanctioned Ho Hup's Scheme of Arrangement with Creditors.

7. **Group borrowings and debt securities**

	30.9.2013 RM'000	31.12.2012 RM'000
(a) Short term borrowings denominated in Ringgit Malaysia:		
Unsecured	10,687	10,710
Total Borrowings	10,687	10,710

8. **Derivative Financial instrument**

For the quarter ended 30 September 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 or Losses of the Group**

The breakdown of the accumulated losses of the Group as at 30 September 2013, into realised and unrealised profits or losses is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

	At end of current quarter 30 September 2013 RM'000	At end of previous financial year 31 December 2012 RM'000
Accumulated Losses-Realised	(186,514)	(198,278)
Less: consolidated adjustments	42,638	39,562
	(143,876)	(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 ground 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, the latter of which was fixed for hearing on the 21st October 2013 but has now been vacated by the Court to a date to be fixed.

(b) On the 31 July 2009, the Company was served by Dato' Low Tuck Choy ("Plaintiff") with a Writ of Summons in the capacity as a nominal defendant 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 Court has vacated the pre-trial Case Management on 27 August 2013 and replaced same on the 7 October 2013. This matter is fixed for Trial subsequently on 8 and 9 January 2014.

(c) 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 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 September1995.

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 Buy-Out Order, Ferrier Hodgson Monteiro Heng Sdn Bhd was appointed as said Independent Valuer on the 19 June 2012 and the valuation report was issued on the 31 December 2012.

Zen Courts subsequently filed applications to review the valuation and for an interim payment of the amount so valued viz. RM35.97 million. The Company further filed an application to confirm the valuation pursuant to the Buy-Out Order.

On the 18 July 2013, the Court has dismissed applications filed by Zen Courts and further ordered the following:-

(1) That the Company shall purchase the 4,500,000 shares ("Shares") in BJDSB held by Zen Courts at the price of RM7.99 per share and the aggregate purchase price for the same shall be fixed at RM 35,970,000.00 (the "Purchase Price");

(2) That the buy-out of the Shares shall be completed no later than four (4) months after the date of this Order ie 18 July 2013, on a business day and at an office address in Kuala Lumpur as notified, with at least seven (7) days' prior notice in writing by the Company (or its solicitors) to Zen Courts (or its solicitors);

(3) That the buy-out of the Shares shall be completed as follows:-

(i) The Company shall pay the Purchase Price to Zen Courts by way of bankers draft made payable to Messrs Chellam Wong;

(ii) Zen Courts shall deliver to the Company a duly executed, valid and proper instrument of transfer for the Shares together with the corresponding share certificates as well as such other executed documents as may be necessary for revenue and stamp duty purposes;

(ii) By consent, that interest of 5% per annum on a daily basis, to be calculated from 18 July 2013 until full payment of the Purchase Price, shall be payable by the Company to Zen Courts;

(iv) That Zen Courts procures the resignation of Mr. Yeoh Keng Tat as a Director of BJDSB, such resignation to be effective on or before the date of completion of purchase of the Shares.

On 14 August 2013, Zen Courts filed two (2) Notices of Appeal ("Appeals") in respect of inter-alia the following Orders made on the 18 July 2013 by the Kuala Lumpur High Court:

(1) dismissing Zen Courts' application to make further representations on the Valuation Report ; and

(2) fixing the Purchase Price of the Shares at RM35,970,000.00 and related orders.

The above Appeals are fixed for Hearing on the 19 February 2014.

(d) 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.

The matter is now fixed for decision on 16 January 2014.

Except as disclosed above, there were no other material changes in material litigation since the last annual financial year and made up to 29 November 2013, being the latest practicable date from the date of the issue of this quarterly report.

12. Dividends paid

No dividends have been recommended during the quarter under review.

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 owners of the parent by the weighted average number of ordinary shares in issue.

	Current quarter	Preceding year corresponding quarter	Financial period to-date	Preceding year corresponding period to-date
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Net profit/(loss) for the period attributable to owners of the parent (RM'000)	2,773	(657)	9,597	(12,275)
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 parent	2.72	(0.64)	9.41	(12.03)

14. Profit/(Loss) before Tax

	Individual Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit/(Loss)before tax is arrived at after charging:-				
Depreciation of property, plant and equipment	62	147	374	338
Interest expenses	244	1,498	720	4,896
And Crediting:-				
Gain on disposal of property, plant and equipment	-	108	1	52
Gain on Disposal of associated company	105	-	9,164	-
Interest income	12	63	18	39
Reversal of provision no longer required	-	1,459	-	1,275
Reversal of impairment loss on trade receivables	-	570	-	570

15. Comparative Figures

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

	As previously stated RM'000	Reclassified RM'000	As restated RM'000
Group Statement Of comprehensive Income			
Individual Quarter			
Cost of sales	5,259	1,187	6,446
Operating expenses	164	(1,187)	1,023
Cumulative Quarter			
Cost of sales	27,024	3,567	30,591
Operating expenses	6,803	(3,567)	3,236

By Order of the Board
Wong Kit-Leong
Executive Director
Kuala Lumpur
29 November 2013