

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the period ending 31 March 2014

The figures have not been audited.

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Revenue	82,416	23,278	82,416	23,278
Cost of Sales	(65,899)	(19,859)	(65,899)	(19,859)
Gross Profit	<u>16,517</u>	<u>3,419</u>	<u>16,517</u>	<u>3,419</u>
Other Income	27	53	27	53
Administrative expenses	(1,565)	(1,182)	(1,565)	(1,182)
Operating expenses	(3,775)	(1,221)	(3,775)	(1,221)
Profit from operating activities	<u>11,204</u>	<u>1,069</u>	<u>11,204</u>	<u>1,069</u>
Finance income	178	1	178	1
Finance cost	(56)	(234)	(56)	(234)
Net Finance Income/(Cost)	<u>122</u>	<u>(233)</u>	<u>122</u>	<u>(233)</u>
Share of results of associates	-	-	-	-
Profit before tax	<u>11,326</u>	<u>836</u>	<u>11,326</u>	<u>836</u>
Taxation	-	-	-	-
Profit for the period	<u>11,326</u>	<u>836</u>	<u>11,326</u>	<u>836</u>
Other Comprehensive Income/(loss), net of tax				
Foreign currency translation differences for foreign operations	(106)	185	(106)	185
Other Comprehensive Income/(loss) for the period, net of tax	<u>(106)</u>	<u>185</u>	<u>(106)</u>	<u>185</u>
Total Comprehensive Income for the period, net of tax	<u>11,220</u>	<u>1,021</u>	<u>11,220</u>	<u>1,021</u>
Profit Attributable to:				
Owners of the Company	11,312	375	11,312	375
Non Controlling Interest	14	461	14	461
Profit for the period	<u>11,326</u>	<u>836</u>	<u>11,326</u>	<u>836</u>
Total Comprehensive Income attributable to:				
Owners of the Company	11,206	560	11,206	560
Non Controlling Interest	14	461	14	461
Total comprehensive Income for the period	<u>11,220</u>	<u>1,021</u>	<u>11,220</u>	<u>1,021</u>
Earnings per share attributable to owners of the parent (sen):				
Basic	<u>6.66</u>	<u>0.37</u>	<u>6.66</u>	<u>0.37</u>
Diluted	<u>3.08</u>	<u>N/A*</u>	<u>3.08</u>	<u>N/A*</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements

N/A*Not applicable when the diluted earnings per share is not presented as there were no potential dilutive ordinary shares outstanding in previous year.

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 March 2014**

The figures have not been audited.

	As at 31 March 2014 RM '000 (Unaudited)	As at 31 Dec 2013 RM '000 (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	6,182	5,968
Land and Property Development Costs	101,518	111,068
Other receivables	500	500
Deferred Tax Assets	7,500	7,500
	<u>115,700</u>	<u>125,036</u>
Current Assets		
Amount due from customers on contracts	13,074	11,193
Land and Property Development Costs	21,731	12,166
Inventories	564	620
Trade Receivables	60,453	45,708
Other Receivables	57,507	49,080
Fixed Deposits	4,022	38,494
Cash and Bank Balances	6,949	68,964
	<u>164,300</u>	<u>226,225</u>
TOTAL ASSETS	<u>280,000</u>	<u>351,261</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Ordinary Share Capital	106,559	51,000
Irredeemable Convertible Preference Shares ("ICPS")	806	1,020
Redeemable Convertible Preference Shares ("RCPS")	438	1,336
Share Premium - ICPS	39,494	49,981
Share Premium - RCPS	21,484	65,444
Warrant Reserves	8,670	8,670
Other Reserves	(29,686)	-
Foreign Exchange Reserve	(461)	(356)
Accumulated Losses	(82,570)	(93,883)
	<u>64,734</u>	<u>83,212</u>
Non-Controlling Interest	(610)	6,236
Total Equity	<u>64,124</u>	<u>89,448</u>
Current Liabilities		
Provision for liquidated ascertained damages	20,231	21,956
Short Term Borrowings	-	40,000
Trade Payables	64,972	61,072
Other Payables	130,269	138,381
Tax payable	404	404
	<u>215,876</u>	<u>261,813</u>
Total Liabilities	<u>215,876</u>	<u>261,813</u>
TOTAL EQUITY AND LIABILITIES	<u>280,000</u>	<u>351,261</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.30</u>	<u>0.82</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013 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 period ending 28 February 2014

The figures have not been audited.

	Attributable to Owners of the Parent												
	Share Capital (RM'000)	ICPS (RM'000)	RCPS (RM'000)	RCPS Premium (RM'000)	ICPS Premium (RM'000)	RCPS Premium (RM'000)	Foreign exchange Reserve (RM'000)	Non-Distributable Other Reserve (RM'000)	Warrant Reserve (RM'000)	Accumulated Losses (RM'000)	Total (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
At 1 January 2014	51,000	1,020	1,336	65,445	49,980	65,445	(356)		8,670	(93,883)	31,212	6,236	89,448
Conversion of ICPS	10,701	(214)			(10,487)								
Conversion of RCPS	44,858		(898)	(43,960)									
Acquisition of additional interest in a subsidiary								(29,686)			(29,686)	(6,860)	(36,546)
Other Comprehensive Income for the year							(105)				(105)		(105)
Net profit for the year										11,312	11,312	14	11,326
At 31 March 2014	106,559	806	438	21,485	39,493	21,485	(461)	(29,686)	8,670	(82,570)	64,733	(610)	64,123

Attributable to Owners of the Parent

	Non-Distributable				Total Equity (RM'000)		
	Share Capital (RM'000)	Foreign exchange Reserve (RM'000)	Accumulated Losses (RM'000)	Non-Controlling Interest (RM'000)	Total (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
At 1 January 2013	102,000	4,907	(158,714)	992	(51,807)	992	(50,815)
Other Comprehensive Income for the year		185			185		185
Net profit for the year			375	461	375	461	836
At 31 March 2013	102,000	5,092	(158,339)	1,453	(51,247)	1,453	(49,794)

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013 and the accompanying explanatory notes to the interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the quarter ended 31 March 2014

	3 months ended 31 March 2014 RM'000	12 months ended 31 Dec 2013 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,326	20,260
Adjustments for non-cash items:		
Depreciation of Property, plant and equipment (PPE)	78	576
Reversal of fair value adjustment on other receivables	-	(659)
Impairment on trade receivables	-	73
Gain on disposal of property, plant and equipment	-	(15)
Gain on disposal of investment in an associated company	-	(14,142)
Provision for liquidated ascertained damages	747	2,517
Reversal of impairment on trade receivables	-	(79)
Writeback of provisions	-	(3)
Interest Expenses	56	1,077
Interest Income	(178)	(182)
Operating profit before working capital changes	12,029	9,423
Changes in working capital		
Land and property development costs	(1,438)	3,600
Amount owing by/to customer on contracts	(564)	(10,094)
Inventories	56	(301)
Receivables	(23,171)	(47,526)
Payables	(4,104)	59,370
Cash generated from/(used in) operations	(29,221)	5,049
Interest paid	(56)	(1,077)
Tax paid	-	(13)
Tax refund	-	18
Payment of Liquidated Ascertained Damages (LAD)	(2,472)	-
Net cash (used in)/from operating activities	(2,528)	(1,072)
	(19,720)	13,400
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(293)	(4,966)
Proceeds from disposal of property, plant and equipment	-	41
Proceeds from disposal of investment in an associated company	-	8,901
Interest received	178	182
Acquisition of additional interest in a subsidiary (net)	(36,547)	-
Net cash (used in)/from investing activities	(36,662)	4,158
CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of term loan	(40,000)	-
Drawdown of term loan	-	40,000
Proceeds from issuance of Irredeemable Convertible Preference Shares	-	51,000
Net cash (used in)/from financing activities	(40,000)	91,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(96,382)	108,558
Effect of changes in foreign exchange	(105)	(18)
OPENING BALANCE	107,458	(1,082)
CLOSING BALANCE	10,971	107,458
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	6,949	65,464
Fixed deposits with licensed banks	4,022	41,994
	10,971	107,458

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013 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 2014

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 interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013. 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 2013.

2. Changes in accounting policies

The significant accounting policies adopted by the Group in this interim financial statement are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2013.

The adoption of the following Financial Reporting Standards (“FRSs”), Amendments to FRSs and Issues Committee (“IC”) Interpretations that come into effect on 1 January 2013 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Effective from 1 July 2012

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
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Effective from 1 January 2013

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119 (2011)	Employee Benefits
FRS 127 (2011)	Separate Financial Statements
FRS 128 (2011)	Investment in Associates and Joint Ventures
IC Interpretations 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	Government loans
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance

The Group did not early adopt the following standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) as these are effective for financial period beginning on or after 1 January 2014:

		Effective date for financial periods <u>beginning on or after</u>
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 11 and FRS 12	Investment Entities	1 January 2014
FRS 9(IFRS 9 (2009))	Financial Instruments	1 January 2015
FRS 9(IFRS 9 (2010))	Financial Instruments	1 January 2015
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

New Malaysian Financial Reporting Standards (“MFRS Framework”)

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (“MFRS 141”) and IC Interpretation 15 Agreements for Construction of Real Estate (“IC Interpretation 15”), including its parent, significant investor and venturer (hereinafter called “Transitioning Entities”).

On 30 June 2012, the MASB announced that the mandatory effective date for adoption of the new MFRS by the Transitioning Entities deferred from 1 January 2013 to 1 January 2014.

On 7 August 2013, the MASB announced that the mandatory effective date for adoption of the new MFRS by the Transitioning Entities further deferred from 1 January 2014 to 1 January 2015.

The Group is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015.

The Group is currently assessing the implications and financial impact of transition to the MFRS Framework and expect to in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2015.

3. Audit report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2013 for the Company and the Group was unqualified report.

4. **Segment information**

Industry Segment	Cumulative 3 months			
	Revenue		Profit/(loss) attributable to owners of the Company	
	31.3.14 RM'000	31.3.13 RM'000	31.3.14 RM'000	31.3.13 RM'000
Construction	39,075	10,571	727	(723)
Property Development	33,247	6,000	13,033	1,532
Ready mixed concrete	10,094	6,707	139	23
Others	-	-	(471)	4
Adjustments	-	-	(2,102)	-
Total before non controlling interest	82,416	23,278	11,326	836
Non controlling interest	-	-	(14)	(461)
Total	82,416	23,278	11,312	375

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 2014.

6. **Material changes in estimates**

There were no changes in estimates that have had a material effect in the current year 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/ year 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) Contingent liabilities

Type	Group	Company	Group/Company
	31.3.2014 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
Secured Bank Guarantee	-	-	4,610
Unsecured Bank Guarantee	7,416	7,416	42,237
Corporate Guarantee	-	5,097	10,000
Total	7,416	12,513	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 date of statement of financial position.

13. Subsequent events

Save and except for the announcements made by the Company from 27 February 2014 to 24 April 2014 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 2014

1. Review of Performance

The Group recorded a profit after tax of RM11.3 million and revenue of RM82.4 million for the current quarter ended 31 March 2014 as compared to a profit of RM0.8 million and revenue of RM23.3 million for the same corresponding quarter ended last year.

The Construction division registered a profit after tax of RM0.7 million and revenue of RM39.1 million as compared to loss after tax of RM0.7 million and revenue of RM10.6 million in the same quarter last year. Turnover is higher this year due to progress from the existing projects in Malaysia and Iraq.

The Property Development division registered a profit after tax of RM13.0 million and revenue of RM33.2 million in the current quarter as compared to a profit after tax of RM1.5 million and RM6.0 million revenue for the corresponding quarter in the previous year. Revenue for the current year is mainly derived from progress of the development of Parcel A Aurora Place mainly from sales of shop offices, Smart Offices Versatile Offices Tower (SOVO) and retail lot.

The Ready Mix Concrete division registered a turnaround in current quarter with profit after tax of RM139,000 and a revenue of RM10.1 million in current quarter as compared to a profit after tax of RM23,000 and revenue of RM6.7 million in the same quarter last year. This division recorded a profit due to suppliers rebate from early settlement of purchases of raw material.

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 RM11.3 million in the current quarter ended March 2014 as compared to an after tax profit of profit of RM16.5 million the previous quarter ended December 2013. The revenue increased from RM47.8 million to RM82.4 million in current quarter mainly derived from construction division of RM39.1 million, property development division of RM33.2 million and ready mix of RM10.1 million.

3. Prospects for the forthcoming financial period

On 31 December 2013, the Regularisation Exercise of the Company was completed with the listing of the rights shares Irredeemable Convertible Preference Shares (ICPS), Redeemable Convertible Preference Shares (RCPS) and warrants.

Under the scheme of arrangement of its subsidiary Bukit Jalil Development Sdn Bhd (BJDSB), BJDSB creditors will be repaid in full in four (4) quarterly instalments, the first of which was paid end January 2014.

On 5 March 2014, M&A Securities had on behalf of the Company, submitted an application to Bursa Securities for an early upliftment from being classified as a PN17 company under the Listing Requirements. As at date of this Report, the Company's application is still pending for Bursa Securities' approval.

Having completed its restructuring exercise, the Group is actively pursuing and bidding for new projects in construction and property development.

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/year 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 December 2013, the Regularisation Exercise of the Company was completed with the listing of the ICPS, RCPS and warrants.
- b) Under the scheme of arrangement of its subsidiary Bukit Jalil Development Sdn Bhd (BJDSB), BJDSB creditors will be repaid in full in four (4) quarterly instalments, the first of which was paid end January 2014.
- c) Under the Regularisation Exercise, the Company had raised RM51.0 million gross proceeds from the Rights Issue of ICPS with Warrants based on the issue price of RM0.50 per ICPS. The status of utilization of proceeds raised as at the date of this report are described as below:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Expected Timeframe for Utilisation
To fund future projects	8,000	-	Within 24 months from the listing of the ICPS
To repay term loan	40,000	40,000	
Estimated expenses in relation to the Regularisation Exercise	3,000	1,591	The actual expenses are lower than the actual amount budgeted, the excess will be utilized for working capital purposes to be utilized within 24 months from the listing of the ICPS
Total Proceeds	51,000	41,591	

7. Group borrowings and debt securities

	31.3.2014	31.12.2013
	RM'000	RM'000
(a) Short term borrowings denominated in Ringgit Malaysia:		
Secured	-	40,000
Unsecured	-	-
Total Borrowings	<u>-</u>	<u>40,000</u>

8. Derivative Financial instrument

For the quarter ended 31 March 2014, 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 31 March 2014, 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 31 March 2014 RM'000	At end of current quarter 31 December 2013 RM'000
Accumulated Losses- Realised	(126,530)	(140,945)
Accumulated Losses - Unrealised	7,500	7,500
Less: consolidated adjustments	36,460	39,562
	(82,570)	(93,883)

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 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 Joint Development Agreement was subsequently terminated by APHB. The Company is disputing the 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 Hearing for this case has been postponed to a date to be fixed by the Court.

- (b) On 31 July 2009, the Company was served by Dato' Low Tuck Choy ("Plaintiff") with a Writ of Summons KL High Court Civil Suit S-22-525-2009 dated 24th July 2009, seeking damages and, an injunction that the Defendants and or his agents to injunct an arbitral tribunal from handing down its award. This derivative action is now fixed for further Trial on the 28 May 2014.
- (c) Pursuant to an Agreement dated 12 September 1995 ("the 1995 JVA"), the Company and United Engineers (Malaysia) Berhad ("UEM") entered into a joint venture whereby the Company and UEM agreed to subscribe for shares in Bukit Jalil Development Sdn. Bhd. ("BJD") on a 70%-30% ratio respectively. Subsequently, on 28 September 2009, Zen Courts Sdn. Bhd. ("Zen Courts") entered into a Sale and Purchase Agreement to buy shares held by UEM in BJD.

On 9 June 2011, Zen Courts served a sealed copy of the Petition pursuant to Section 181 of the Companies Act, 1965 on BJD, the Company and Ho Hup Equipment Rental Sdn. Bhd. ("HHER") ("the Companies") claiming, inter alia, that BJD and the Company have allegedly oppressed them and would not recognise their rights under the 1995 JVA.

On 27 March 2012, the Court, after hearing the Petition, ordered a buy-out of Zen Court's stake in BJD 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, of which Ferrier Hodgson Monteiro Heng Sdn. Bhd. ("FHMH") was appointed as said Independent Valuer on the 19 June 2012 and the valuation report was issued by FHMH on the 31 December 2012. ("Valuation Report").

Zen Courts subsequently filed applications to review the valuation and for an interim payment of the amount so valued viz. RM35,970,000.00. 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, inter alia, that the Company shall purchase the 4,500,000 shares ("Shares") in BJD 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").

On 14 August 2013, Zen Courts filed two (2) Notices of Appeal (“Appeals”) in respect of Orders made on the 18 July 2013 by the High Court, inter-alia, dismissing Zen Courts’ application to make further representations on the Valuation Report and fixing the Purchase Price of the Shares at RM35,970,000.00 and related orders. The said Appeals have since been dismissed by the Court of Appeal on the 19 February 2014. Zen Courts, being dissatisfied, filed an application for leave to the Federal Court to appeal against the dismissal of its Appeals (“Leave Application”). The Federal Court has yet to fix any date for the Leave Application.

Zen Courts also filed an appeal to the Judge against the decision of the Deputy Registrar allowing a correction of a clerical mistake in the Order of 18 July 2013. The same is now fixed for a Case Management on the 16 June 2014.

On 4 December 2013, the High Court has granted leave for the Companies to take committal proceedings against Zen Courts and its four directors for contempt of court. During the Hearing date on the 1 April 2014, Zen Courts and its directors have tendered their apology to the Court and to the Companies for any breach of the Buy-Out Order and Order of the 18 July 2013. In view of the acceptance of their apology, the Court has further ordered the committal proceedings be struck out with cost of RM5,000 to be paid by Zen Courts to the Company and the Set Aside Application be withdrawn with no order as to cost.

On the 25 February 2014, the Company’s application for the Consequential Orders has since been allowed by the High Court (“the Consequential Order”). Pursuant to the said Consequential Order, the Form of Transfer of Securities (Form 32A) has been executed by the Deputy Registrar on the 7 March 2014 and the 2 banker’s cheques for the Purchase Price and interest have since been delivered to Zen Courts’ solicitors. Hence, the transfer of the Shares to the Company as ordered by the Court has been completed on the 7 March 2014.

- (d) On 9 September 2011, the Company brought an action 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 for payment of the sum of USD2.5 million 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.

On 16 January 2014, the Court decided that the Company has not proven its claim and dismissed same with costs of RM40,000.00. The Company has further filed a Notice of Appeal to the Court of Appeal against the said decision on 27 January 2014 and the same is now fixed for further Case Management on 29 May 2014.

Except as disclosed above, there were no other material changes in material litigation since the last annual financial year and made up to 24 April 2014, 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/ year under review.

13. Earnings per share

Basic earnings per share (EPS)

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 31.3.2014	Preceding year corresponding quarter 31.3.2013	Financial period to- date 31.3.2014	Preceding year corresponding period to-date 31.3.2013
Net profit/(loss) for the period attributable to owners of the parent (RM'000)	11,312	375	11,312	375
Weighted average number of ordinary shares ('000)	169,918	102,000	169,918	102,000
Basic earnings/(loss) per share (sen) attributable to owners of the parent	6.66	0.37	6.66	0.37

Diluted earnings per share

Diluted earnings per share for the reporting quarter and 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 during the period after taking into consideration of all dilutive potential ordinary share

	Current quarter 31.3.2014	Preceding year corresponding quarter 31.3.2013	Financial period to- date 31.3.2014	Preceding year corresponding period to-date 31.3.2013
Net profit for the period attributable to owners of the parent (RM'000)	11,312	-	11,312	-
Adjustment for convertible preference dividend	-	-	-	-
Adjusted net profit for the period attributable to owners of the parent (RM'000)	11,312	-	11,312	-
Weighted average number of ordinary shares ('000)	169,918	-	169,918	-
Adjustment for ICPS	88,444	-	88,444	-
Adjustment for RCPS	79,201	-	79,201	-
Adjustment for Warrants	29,601	-	29,601	-
Adjusted weighted average number of ordinary shares in issue	367,164	-	367,164	-

Diluted earnings per share (sen) attributable to owners of the parent	3.08	N/A*	3.08	N/A*
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N/A*Not applicable when the diluted earnings per share is not presented as there were no potential dilutive ordinary shares outstanding as at 31 March 2013.

14. Significant Related Party Transactions

There were no significant related party transactions occurred during the financial quarter ended 31 March 2014.

15. Profit before Tax

	Individual Quarter 3 Months ended		Cumulative Quarter 3 Months ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Profit before tax is arrived at after charging:-				
Depreciation of property, plant and equipment	78	60	78	60
Interest expenses	56	234	56	234
Provision for liquidated ascertained damages	747	442	747	442
And Crediting:-				
Interest income	178	1	178	1

By Order of the Board

Wong Kit-Leong
Executive Director
Kuala Lumpur
24 April 2014