

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the financial period ended 31 March 2015

(The figures have not been audited)

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	<u>31 Mar 2015</u> RM'000	<u>31 Mar 2014</u> RM'000	<u>31 Mar 2015</u> RM'000	<u>31 Mar 2014</u> RM'000
Revenue	87,963	82,416	87,963	82,416
Cost of Sales	(61,241)	(65,899)	(61,241)	(65,899)
Gross Profit	<u>26,722</u>	<u>16,517</u>	<u>26,722</u>	<u>16,517</u>
Other income	219	27	219	27
Administrative expenses	(2,295)	(1,565)	(2,295)	(1,565)
Operating expenses	(1,647)	(3,775)	(1,647)	(3,775)
Profit from operating activities	<u>22,999</u>	<u>11,204</u>	<u>22,999</u>	<u>11,204</u>
Finance income	69	178	69	178
Finance cost	(569)	(56)	(569)	(56)
Net finance (cost)/income	<u>(500)</u>	<u>122</u>	<u>(500)</u>	<u>122</u>
Profit before tax	<u>22,499</u>	<u>11,326</u>	<u>22,499</u>	<u>11,326</u>
Taxation	(2,498)	-	(2,498)	-
Profit for the period	<u>20,001</u>	<u>11,326</u>	<u>20,001</u>	<u>11,326</u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	69	(106)	69	(106)
Other comprehensive income/(loss) for the period, net of tax	<u>69</u>	<u>(106)</u>	<u>69</u>	<u>(106)</u>
Total comprehensive income for the period, net of tax	<u>20,070</u>	<u>11,220</u>	<u>20,070</u>	<u>11,220</u>
Profit/(Loss) attributable to:				
Owners of the Parent	20,094	11,312	20,094	11,312
Non-Controlling Interest	(93)	14	(93)	14
Profit for the period	<u>20,001</u>	<u>11,326</u>	<u>20,001</u>	<u>11,326</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	20,163	11,206	20,163	11,206
Non-Controlling Interest	(93)	14	(93)	14
Total comprehensive income for the period	<u>20,070</u>	<u>11,220</u>	<u>20,070</u>	<u>11,220</u>
Earnings per share attributable to owners of the parent (sen):				
Basic	<u>5.98</u>	<u>6.66</u>	<u>5.98</u>	<u>6.66</u>
Diluted	<u>5.12</u>	<u>3.08</u>	<u>5.12</u>	<u>3.08</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 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 31 MARCH 2015

	As at 31 Mar 2015 RM'000 (Unaudited)	As at 31 Dec 2014 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	12,715	11,708
Land and property development costs	9,762	9,753
	22,477	21,461
Current Assets		
Amount due from customers on contracts	6,735	6,032
Accrued billing in respect of property development costs	115,939	95,464
Land and property development costs	121,679	116,117
Inventories	651	600
Trade receivables	102,993	80,050
Other receivables	30,904	33,344
Fixed deposits	16,031	951
Cash and bank balances	9,057	9,278
	403,989	341,836
TOTAL ASSETS	426,466	363,297
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Ordinary share capital	171,954	155,629
Irredeemable Convertible Preference Shares ("ICPS")	91	97
Redeemable Convertible Preference Shares ("RCPS")	213	222
Share premium	34,725	16,138
Warrant reserves	7,724	7,734
Other reserves	(29,687)	(29,687)
Foreign exchange reserve	(258)	(327)
Accumulated losses	(7,093)	(27,197)
	177,669	122,609
Non-Controlling Interest	1,045	1,098
Total Equity	178,714	123,707
Non-Current Liabilities		
Finance lease liabilities	1,355	2,672
Bank borrowings	29,686	18,247
	31,041	20,919
Current Liabilities		
Amount owing to customers on contracts	9,663	9,663
Provision for liquidated ascertained damages	617	1,770
Bank borrowings	23,060	17,676
Trade payables	136,331	90,464
Other payables	35,482	92,314
Finance lease liabilities	3,268	993
Tax payable	8,290	5,791
	216,711	218,671
Total Liabilities	247,752	239,590
TOTAL EQUITY AND LIABILITIES	426,466	363,297
Net assets per share attributable to equity holders of the parent (RM)	0.52	0.39

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

HO HUP CONSTRUCTION COMPANY BERHAD (14034-V)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 31 March 2015

(The figures have not been audited)

	← Atributable to Owners of the Parent →										Non-Controlling Interest RM'000	Total Equity RM'000
	← Non-Distributable →					→ Non-Distributable →						
	Share Capital RM'000	ICPS RM'000	RCPS RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Accumulated Losses RM'000	Total RM'000			
At 1 January 2015	155,629	97	222	16,138	(327)	7,734	(29,687)	(27,197)	122,609	1,098	123,707	
Total comprehensive income for the financial period	-	-	-	-	69	-	-	20,094	20,163	(93)	20,070	
Transactions with owners:												
Conversion of ICPS	287	(6)	-	(281)	-	-	-	-	-	-	-	
Conversion of RCPS	445	-	(9)	(436)	-	-	-	-	-	-	-	
Exercise of Warrants	31	-	-	6	-	(10)	-	10	37	-	37	
Issuance of shares pursuant to the Private Placement	15,562	-	-	19,298	-	-	-	-	34,860	-	34,860	
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	40	40	
Total transactions with owners	16,325	(6)	(9)	18,587	-	(10)	-	10	34,897	40	34,937	
At 31 March 2015	171,954	91	213	34,725	(258)	7,724	(29,687)	(7,093)	177,669	1,045	178,714	

	← Atributable to Owners of the Parent →										Non-Controlling Interest RM'000	Total Equity RM'000
	← Non-Distributable →					→ Non-Distributable →						
	Share Capital RM'000	ICPS RM'000	RCPS RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Accumulated Losses RM'000	Total RM'000			
At 1 January 2014	51,000	1,020	1,336	115,425	(356)	8,670	(93,883)	(93,883)	83,212	6,236	89,448	
Total comprehensive income for the financial period	-	-	-	-	(105)	-	-	11,312	11,207	14	11,221	
Transactions with owners:												
Conversion of ICPS	10,701	(214)	-	(10,487)	-	-	-	-	-	-	-	
Conversion of RCPS	44,858	-	(898)	(43,960)	-	-	(29,686)	-	(29,686)	(6,860)	(36,546)	
Acquisition of additional interest from non-controlling interest	-	-	-	-	-	-	(29,686)	-	(29,686)	(6,860)	(36,546)	
Total transactions with owners	55,559	(214)	(898)	(54,447)	-	-	(29,686)	-	(29,686)	(6,860)	(36,546)	
At 31 March 2014	106,559	806	438	60,978	(461)	8,670	(29,686)	(82,571)	64,733	(610)	64,123	

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 and the accompanying explanatory notes to the interim financial statements

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 March 2015

(The figures have not been audited)

	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before tax	22,499	11,326
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	446	78
Provision for liquidated ascertained damages	-	747
Finance cost	569	56
Finance income	(69)	(178)
Operating profit before working capital changes	23,445	12,029
Movements in working capital		
Land and property development costs	(5,571)	(1,438)
Accrued billing/Progress billing in respect of property development costs	(20,475)	(564)
Amount owing by customers on contract	(703)	-
Inventories	(51)	56
Receivables	(20,503)	(23,171)
Payables	(10,964)	(4,104)
Cash generated from used in operations	(58,267)	(29,221)
Interest paid	(569)	(56)
Tax paid	-	-
Tax refund	-	-
Payment of liquidated ascertained damages	(1,153)	(2,472)
	(1,722)	(2,528)
Net cash used in operating activities	(36,544)	(19,720)
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(121)	(293)
Interest received	69	178
Contribution from non-controlling interest	40	-
Acquisition of additional interest in a subsidiary (net)	-	(36,547)
Net cash used in investing activities	(12)	(36,662)
CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of term loan	-	(40,000)
Drawdown of term loan	11,439	-
Repayment of hire purchase	(374)	-
Proceeds from issuance of shares	34,860	-
Proceeds from exercise of warrants	37	-
Net cash from/(used in) financing activities	45,962	(40,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	9,406	(96,382)
Effect of changes in foreign exchange rate	69	(105)
OPENING BALANCE	(7,447)	107,458
CLOSING BALANCE	2,028	10,971
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	9,057	6,949
Bank overdraft	(23,060)	-
Fixed deposits with licensed banks	16,031	4,022
	2,028	10,971

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

A) EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

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 Main Market 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 2014. 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 2014.

2. Significant accounting policies

The significant accounting policies adopted by the Group in these interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2014.

The adoption of the following Financial Reporting Standards (“FRSs”), Amendments to FRSs and Issues Committee (“IC”) Interpretations that come into effect on 1 January 2014 did not have any significant impact on the unaudited condensed consolidated financial statements of the Group upon their initial application.

FRSs effective 1 January 2014

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

2. Significant accounting policies (cont'd)

FRSs that have been issued by the MASB but are not yet effective for the Company:

The Group have not applied the following new FRSs and amendments to FRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group.

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to FRS 119	Defined Benefits Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle		1 July 2014
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to FRSs 2012-2014 Cycle		1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

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 2017.

The Group is currently assessing the implications and financial impact of transition to the MFRS Framework and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

3. Audit report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 for the Group was not qualified.

4. Segment reporting

Business Segment	For cumulative 3 months ended 31 March 2015			
	Revenue		Profit attributable to owners of the parent	
	31.3.15 RM'000	31.3.14 RM'000	31.3.15 RM'000	31.3.14 RM'000
Construction	44,656	39,075	3,855	727
Property Development	33,222	33,247	16,341	13,033
Ready mixed concrete	15,052	10,094	183	139
Others	-	-	(706)	(471)
Inter-segment eliminations	(4,967)	-	328	(2,102)
Total before non-controlling interest	87,963	82,416	20,001	11,326
Non-controlling interest	-	-	93	(14)
Total	87,963	82,416	20,094	11,312

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 period ended 31 March 2015.

6. Material changes in estimates

There were no changes in estimates that have had a material effect in the current period 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 materials and increase in the cost of construction materials for the quarter under review.

8. Dividends paid

No dividends have been declared for the current financial quarter.

9. Valuation of property, plant and equipment

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

10. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period ended 31 March 2015, except for the Private Placement issue of 31,125,000 new ordinary shares of RM0.50 each in Ho Hup which was announced on 5 September 2014 and completed on 23 January 2015.

11. Changes in composition of the Group

On 13 March 2015, the Company has entered into a Shareholders' Agreement with Kiara Komposit Sdn. Bhd. ("Kiara Komposit") and Daiman Kapital Sdn. Bhd. ("Daiman Kapital") to govern certain commitments vis-à-vis each other as shareholders of H2Advance Builders Sdn. Bhd. (formerly known as Nippon Awanatech Sdn. Bhd.) ("H2Advance Builders"). Following the Shareholders Agreement, H2Advance Builders became 60% owned subsidiary of Ho Hup and the remaining 20% each are held by Kiara Komposit and Daiman Kapital respectively.

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

12. Changes in contingent liabilities

a) Contingent liabilities

	Group		Company	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Corporate guarantees given to suppliers of goods of a subsidiary company (unsecured)				
- Limit of guarantee	-	-	23,533	12,000
- Amount utilised	-	-	13,734	5,097
Guarantees issued by financial institutions in connection with performance bonds, security and tender deposits in favour of third parties for construction projects:				
- Secured	200	-	-	-
- Unsecured	-	7,416	-	7,416

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. Capital Commitment

Save as disclosed below, there was no capital commitment as at the date of this financial report.

	31.3.2015 RM'000	31.12.2014 RM'000
Capital expenditure Approved and contracted for:		
- Purchase of property, plant and equipment	<u>2,720</u>	<u>-</u>

14. Material Events Subsequent to the End of Interim Period

On 24 April 2015, the Company announced to establish and implement a proposed Employees' Share Option Scheme ("Scheme") of up to ten percent (10%) of the Company's issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the Scheme, for the employees and Directors (excluding alternate directors, if any) of Ho Hup and its subsidiaries (excluding foreign and dormant subsidiaries) who fulfil the eligibility criteria. The application of the Company for the Scheme has been submitted to Bursa Malaysia Securities Berhad on 12 May 2015.

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

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

1. Group Performance Review

a) Performance of the Current Quarter Compared with Previous Year Corresponding Quarter

For the first quarter ended 31 March 2015, the Group posted revenue of RM88.0 million, an increase of RM5.6 million or 6.8% as compared to the corresponding quarter of the preceding year of RM82.4 million. The Group posted profit after tax of RM20.0 million, increased by RM8.7 million or 77.0 % as compared to the corresponding quarter of the preceding year of RM11.3 million.

Divisional performance is as follows: -

- The Construction Division registered a revenue of RM44.7 million with a profit after tax of RM3.9 million in the current quarter against last year corresponding quarter revenue of RM39.1 million and a profit after tax of RM0.7 million. Profit after tax in the current quarter was mainly attributed by the higher level of activities in the Johore Kem Askar and the Aurora Place Bukit Jalil project, substantially the Tower C contribution of RM2.6 million.
- Property Development Division registered revenue of some RM33.2 million and a profit after tax of RM16.3 million in the current quarter as compared to last year corresponding quarter revenue of RM33.2 million and profit after tax of RM13.0 million. Revenue for the current quarter was mainly derived from the development progress of Aurora Place project and entitlement from the joint-venture development with Pioneer Haven Sdn Bhd (JDA) of RM3.2 million.
- Ready Mix Concrete Division reported a revenue of RM15.1 million and a profit after tax of RM183,000 in the current quarter against last year corresponding quarter revenue of RM10.1 million and profit after tax of RM139,000. The higher profit is mainly due to the increase in sales volume which resulted in lower production cost.

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

The Group registered a profit before tax of RM20.0 million in the current quarter ended 31 March 2015 as compared to profit before tax of RM20.3 million in the immediate preceding quarter ended 31 December 2014. The profit before tax is fairly consistent due to on-going development of Aurora Place Bukit Jalil, entitlement from the joint development with Pioneer Haven Sdn Bhd of RM3.2 million and Tower C contribution.

3. Business Prospects

Overall, the Group's activities are expected to be maintained at a steady level, with the on-going Aurora Place project and the share of contribution from the joint-venture with Pioneer Haven Sdn Bhd for the current financial year. However, the Group is selective in its bidding for infrastructure and construction contracts with the current influx of foreign construction groups that have depressed the construction margins.

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

This is not applicable.

5. Taxation

The breakdown of tax expense for the quarter and financial year-to-date are as follows:

	3 Months Ended 31.3.2015 RM'000
Current period tax expense	2,498
Deferred tax expense	-
	<u>2,498</u>

The effective tax rate for the current quarter was lower than the statutory tax rate mainly due to utilization of previous year unabsorbed losses.

6. Status of current corporate proposals

Tabulated below are the 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.

- (a) On 23 January 2015, Ho Hup had completed the private placement following the listing of and quotation for 31,125,000 new ordinary shares of RM0.50 each in Ho Hup ("Placement Shares"). The Company had raised gross proceeds of RM34.9 million based on the issue price of RM1.12 per placement share. The status of utilization of proceeds raised as at the date of this report are described as below:

	Proposed Utilisation		Actual Utilisation	Expected Timeframe for Utilisation
	Minimum RM'000	Maximum RM'000	RM'000	
Working capital	40,559	50,867	24,302	Within 6 months from the listing of the Placement Shares
To defray expenses relating to the private placement	1,000	1,200	759	Utilised within 1 month from the listing of the Placement Shares
Total	41,559	52,067	25,061	

6. Status of current corporate proposals (cont'd)

(b) On 24 April 2015, Ho Hup announced that the Company proposes to establish and implement an Employees' Share Option Scheme ("Scheme") of up to ten percent (10%) of the Company's issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the Scheme, for the employees and Directors (excluding alternate directors, if any) of Ho Hup and its subsidiaries (excluding foreign and dormant subsidiaries) who fulfil the eligibility criteria. The application of the Company for the Scheme has been submitted to Bursa Malaysia Securities Berhad on 12 May 2015.

7. Group borrowings and debt securities

	31.3.2015	31.12.2014
	RM'000	RM'000
Borrowings denominated in Ringgit Malaysia:		
Secured		
<u>Non-Current</u>		
Finance lease liabilities	1,355	2,672
Bridging loan	29,686	18,247
<u>Current</u>		
Bank overdraft	23,060	17,676
Finance lease liabilities	3,268	993
Total Borrowings	<u>57,369</u>	<u>39,588</u>

8. Derivative Financial instrument

For the quarter ended 31 March 2015, 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 2015, 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.

	As At 31.3.2015 RM'000	As At 31.3.2014 RM'000
Accumulated Losses- Realised	(41,111)	(126,530)
Accumulated Losses - Unrealised	-	7,500
Less: consolidated adjustments	34,018	36,459
	(7,093)	(82,571)

11. Changes in material litigations

(a) **Arbitration between Ho Hup Construction Company (India) Pte Ltd (“HHCCI”) against Andhra Pradesh Housing Board**

On 9 March 2005, a subsidiary of the Company, HHCCI 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 (“Joint Development Agreement”). HHCCI had been selected to implement the development of the said land into an intergrated township with an approximate development value of India Rupee (“Rs”) 3.6 billion at Shamshabad near Hyderabad. HHCCI 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 disputed the 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, HHCCI commenced an arbitration claim for damages amounting to Rs.2,544,512,230 being the unlawful termination of the abovementioned contract. The award in HHCCI’s favour was published in 19 May 2008 (“Award”).

The Company has since appointed Messrs Y. Ramarao to represent HHCCI in respect of the execution of the Award as well as the appeal lodged by APHB against same (“Appeal”). HHCCI filed its defence to the Appeal on 18 November 2013 and submitted to the Court *inter alia* that the Award does not suffer any infirmities and hence cannot be interfered: particularly, APHB had failed to make out a case to set-aside the Award as none of the grounds stated under Section 34 of the Arbitration and Conciliation Act, 1996 were raised by APHB in its appeal. In such circumstances, the appeal is devoid of merits and liable to be dismissed with costs. The next Hearing for this matter is now fixed on 16 June 2015.

(b) **Dato’ Low Tuck Choy (“DLTC”) against Datuk Lye Ek Seang, Lim Ching Choy, Low Teik Kien, Dato’ Liew Lee Leong, Low Kim Leng, Lai Moo Chan, Long Md Nor Amran bin Long Ibrahim, Faris Najhan Bin Hashim, Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir & Ho Hup (“Defendants”)** **Kuala Lumpur High Court Civil Suit No. S-22-525-2010**

On 31 July 2009, the Company was served by DLTC (“Plaintiff”) with a Writ of Summons KL High Court Civil Suit No. S-22-525-2009 dated 24 July 2009, seeking general damages and, an injunction against the Defendants and/or his agents to prevent the arbitral tribunal from handing down its award. The Plaintiff had further amended its Statement of Claim seeking *inter alia* for special damages in the amount of United States Dollar (“USD”) 39,881,066.85 to be paid by the 1st to 9th Defendants to the Company. After the full trial on 27 March 2015 the High Court had dismissed the Plaintiff’s claim with costs in the sum of RM40,000.00 to be paid by the Plaintiff to the 1st, 2nd and 9th Defendants. The Plaintiff has subsequently filed a Notice of Appeal before the Court of Appeal and the same has yet to be fixed for hearing.

12. Changes in material litigations (cont'd)

(c) **Zen Courts Sdn. Bhd. (“Zen Courts”) against Bukit Jalil Development Sdn. Bhd. (“BJDSB”) & 2 others Kuala Lumpur High Court Petition No.26NCC-42-2011**

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 BJDSB in a 70%-30% ratio respectively. Subsequently, on 28 September 2009, Zen Courts entered into a Sale and Purchase Agreement to buy shares held by UEM in BJDSB. On 9 June 2011, Zen Courts served a sealed copy of the Petition pursuant to Section 181 of the Companies Act, 1965 on BJDSB, the Company and Ho Hup Equipment Rental Sdn. Bhd. (“the Companies”) claiming, *inter alia*, that BJDSB and the Company had allegedly oppressed them and would not recognise their rights under the 1995 JVA.

On 27 March 2012, the High 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, of which Ferrier Hodgson MH Sdn. Bhd. (“FHMH”) was, by consensus, appointed as the independent valuer on 19 June 2012. The valuation report was issued by FHMH on 31 December 2012; in summary, having considered all relevant factors, FHMH valued the 30% shareholding stake in BJDSB held by Zen Courts to be RM35,970,000.00 .

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 18 July 2013, the High Court dismissed the applications filed by Zen Courts and further ordered, *inter alia*, that the Company shall purchase the 4,500,000 shares (“the 30% Shares”) in BJDSB held by Zen Courts at the aggregate purchase price of RM35,970,000.00 (“Purchase Price”), which works out to the price of about RM7.99 per share. The High Court also ordered, with the consent of the parties, that interest at 5% per annum be payable from 18 July 2013 to the date of full payment of the Purchase Price.

As Zen Courts failed or refused to comply with the Order given by the High Court to transfer the 30% Shares, the Company further applied for a consequential order to direct the Form of Transfer of the 30% Shares (Form 32A) to be executed by the Deputy Registrar of the High Court and the Company to deliver banker’s cheques for the Purchase Price and interest. On 25 February 2014 the High Court granted the consequential order. In compliance with the consequential order, the Deputy Registrar executed the Form of Transfer and the Company delivered the banker’s cheques for the total Purchase Price and interest. Accordingly, the transfer of the 30% Shares of Zen Courts to the Company as ordered by the Court was completed on 7 March 2014.

Meanwhile, on 14 August 2013, Zen Courts filed two (2) Notices of Appeal to the Court of Appeal (“Valuation Appeals”) in respect of Orders made on 18 July 2013 by the High Court, *inter-alia*, (i) dismissing Zen Courts’ application to make further representations on the Valuation Report and FHMH to be subjected to cross-examination and; (ii) fixing the Purchase Price of the Shares at RM35,970,000.00 and related orders. The Appeals have

since been dismissed by the Court of Appeal on 19 February 2014. Dissatisfied, Zen Courts filed an application for leave to the Federal Court to appeal against the dismissal of its Appeals (“Leave Application”). The Leave Application was heard by the Federal Court on 5 May 2015 and the Federal Court gave leave to appeal on 2 questions of law i.e. it has allowed Zen Courts to file its appeal proper for the Valuation Appeals to be heard by the Federal Court. No date has been set for the hearing by the Federal Court of the Valuation Appeals on the 2 questions of law.

Zen Courts has also filed another application for leave to the Federal Court to appeal against the entire decision of the Court of Appeal made on 12 March 2014 (which dismissed its appeal against the decision of the High Court on 15 October 2014 to rectify the Order of the High Court dated 18 July 2013 by Y.A. Datuk Mary Lim due to a clerical error which omitted the words “By Consent” as to the payment of interest by Ho Hup at 5% per annum from the date of such Order (“Clerical Error Leave Application”). The Clerical Error Leave Application is now fixed for Hearing on 2 July 2015.

**(d) Ho Hup Construction Company Berhad against Woo Thin Choy (“Defendant”)
Kuala Lumpur High Court Suit No. 22NCVC-873-09/2011**

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 United States Dollar (“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 for the sum of USD 2.5 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 High Court decided that the Company had not proven its claim and dismissed the same with costs of RM40,000.00. The Company had further appealed to the Court of Appeal against the said decision (“Appeal”) and the same was fixed for hearing on 20 August 2014. The Court of Appeal had allowed the Appeal, reversing the High Court judge’s decision and granted judgment against the Defendant as follows:-

- (1) a declaration that the Defendant is liable to account to the Company for the sums of USD2.5 million;
- (2) an Order for payment of the sum of USD1.5 million by the Defendant to the Company;
- (3) an Order for payment of the sum of USD1.0 million by the Defendant to the Company; and
- (4) costs of RM50,000.00 for the proceedings in the Court of Appeal and High Court to be paid by the Defendant to the Company.

The Defendant, being dissatisfied with the judgment granted by the Court of Appeal, has subsequently filed an application for leave to appeal to the Federal Court (“Leave Application”). The Federal Court has fixed the case management for the Leave Application on 29 June 2015 pending the release of the Grounds of Judgment of the Court of Appeal.

Except as disclosed above, there were no other material changes in material litigations since the last annual financial year and made up to 19 May 2015, being the latest practicable date from the date of the issue of this quarterly report.

12. Dividends paid

No dividends have been declared for the current financial quarter.

13. Earnings per share

Basic Earnings Per Share (Basic 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 31.3.2015	Preceding year corresponding quarter 31.3.2014	Financial period to-date 31.3.2015	Preceding year corresponding period to-date 31.3.2014
Net profit for the period attributable to owners of the parent (RM'000)	20,094	11,312	20,094	11,312
Weighted average number of ordinary shares ('000)	336,102	169,918	336,102	169,918
Basic EPS (sen)	5.98	6.66	5.98	6.66

Diluted Earnings Per Share (Diluted EPS)

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 shares.

	Current quarter 31.3.2015	Preceding year corresponding quarter 31.3.2014	Financial period to-date 31.3.2015	Preceding year corresponding period to-date 31.3.2014
Net profit for the period attributable to owners of the parent (RM'000)	20,094	11,312	20,094	11,312
Adjustment for convertible preference dividend (RM'000)	-	-	-	-
Adjusted net profit for the period attributable to owners of the parent (RM'000)	20,094	11,312	20,094	11,312
Weighted average number of ordinary shares ('000)	336,102	169,918	336,102	169,918
Adjustment for ICPS ('000)	9,432	88,444	9,432	88,444
Adjustment for RCPS ('000)	21,792	79,201	21,792	79,201
Adjustment for Warrants ('000)	25,542	29,601	25,542	29,601
Adjusted weighted average number of ordinary shares in issue ('000)	392,868	367,164	392,868	367,164
Diluted EPS (sen)	5.12	3.08	5.12	3.08

14. Significant Related Party Transactions

There were no significant related party transactions occurred during the financial quarter ended 31 March 2015.

15. Profit before Tax

	Individual Quarter 3 Months ended		Cumulative Quarter 3 Months ended	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Profit before tax is arrived at after charging:-				
Depreciation of property, plant and equipment	446	78	446	78
Finance cost	569	56	569	56
Provision for liquidated ascertained damages	-	747	-	747
And Crediting:-				
Rental income	34	34	34	34
Finance income	69	178	69	178

By Order of the Board
Wong Kit-Leong
Chief Executive Officer
Kuala Lumpur
19 May 2015