

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the financial period ended 31 December 2020

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31 Dec 2020 RM'000 (Unaudited)	31 Dec 2019 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Unaudited)	31 Dec 2019 RM'000 (Audited)
Revenue	80,858	166,525	292,180	371,368
Cost of Sales	(33,320)	(98,026)	(143,712)	(221,400)
<b>Gross Profit</b>	<b>47,538</b>	<b>68,499</b>	<b>148,468</b>	<b>149,968</b>
Other income	1,347	3,140	9,375	3,338
Administrative expenses	(2,979)	(4,778)	(14,582)	(15,523)
Operating expenses	(13,309)	(23,105)	(44,287)	(39,051)
<b>Profit from operating activities</b>	<b>32,597</b>	<b>43,756</b>	<b>98,974</b>	<b>98,732</b>
Finance income	(2,394)	1,726	1,716	1,932
Finance cost	(7,552)	(8,258)	(20,732)	(24,565)
<b>Net finance cost</b>	<b>(9,946)</b>	<b>(6,532)</b>	<b>(19,016)</b>	<b>(22,633)</b>
Share of results of associates and joint ventures	-	-	-	(16)
<b>Profit before tax</b>	<b>22,651</b>	<b>37,224</b>	<b>79,958</b>	<b>76,083</b>
Taxation	(14,521)	(9,879)	(28,518)	(24,497)
<b>Profit for the period</b>	<b>8,130</b>	<b>27,345</b>	<b>51,440</b>	<b>51,586</b>
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation differences for foreign operations	700	1	897	(36)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>700</b>	<b>1</b>	<b>897</b>	<b>(36)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>8,830</b>	<b>27,346</b>	<b>52,337</b>	<b>51,550</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Parent	9,575	25,968	50,864	51,500
Non-Controlling Interest	(1,445)	1,377	576	86
<b>Profit for the period</b>	<b>8,130</b>	<b>27,345</b>	<b>51,440</b>	<b>51,586</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Parent	10,955	25,970	52,452	51,467
Non-Controlling Interest	(2,125)	1,376	(115)	83
<b>Total comprehensive income for the period</b>	<b>8,830</b>	<b>27,346</b>	<b>52,337</b>	<b>51,550</b>
<b>Earnings per share attributable to owners of the parent (sen):</b>				
Basic	<b>2.32</b>	<b>6.30</b>	<b>12.33</b>	<b>12.48</b>
Diluted	<b>2.32</b>	<b>6.30</b>	<b>12.33</b>	<b>12.48</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020

	As at <u>31 Dec 2020</u> RM'000 (Unaudited)	As at <u>31 Dec 2019</u> RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	221,976	218,783
Right-of-use assets	18,634	21,405
Investment properties	121,951	124,628
Intangible assets	70	81
Land rights	87,264	90,160
Goodwill	10,978	10,977
Quarrying rights	843	956
Inventories	7,888	13,913
Investment in joint ventures	417	417
Quarry development costs	7,671	7,046
Other Investment	-	-
	<u>477,692</u>	<u>488,366</u>
<b>Current Assets</b>		
Inventories and other contract costs	360,901	304,949
Contract assets	43,644	114,982
Trade receivables	338,351	203,950
Other receivables	142,301	107,569
Amount due from a joint venture	99	99
Tax recoverable	60	16
Fixed deposits with licensed banks	7,592	31,383
Cash and bank balances	40,814	54,186
	<u>933,762</u>	<u>817,134</u>
<b>TOTAL ASSETS</b>	<u>1,411,454</u>	<u>1,305,500</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Ordinary share capital	225,007	225,007
Employee Share Option Reserve ("ESOS Reserve")	766	766
Other reserves	(76,074)	(29,687)
Foreign currency translation reserve	122	(1,466)
Retained Earnings	288,830	237,964
	<u>438,651</u>	<u>432,584</u>
<b>Non-Controlling Interest</b>	<u>13,507</u>	<u>13,621</u>
<b>Total Equity</b>	<u>452,158</u>	<u>446,205</u>
<b>Non-Current Liabilities</b>		
Finance lease liabilities	13,284	11,131
Bank borrowings	340,981	163,931
Deferred tax liabilities	21,432	22,127
	<u>375,697</u>	<u>197,189</u>
<b>Current Liabilities</b>		
Provision for liquidated ascertained damages	2,767	10,143
Bank borrowings	171,040	191,480
Trade payables	83,998	151,216
Other payables	245,605	262,291
Finance lease liabilities	6,600	5,814
Provision for taxation	73,589	41,162
	<u>583,599</u>	<u>662,106</u>
<b>Total Liabilities</b>	<u>959,296</u>	<u>859,295</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,411,454</u>	<u>1,305,500</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>1.06</u>	<u>1.05</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the financial period ended 31 December 2020

	Attributable to Owners of the Parent					Distributable	Total Equity RM'000				
	Non-Distributable		Foreign Currency								
	Share Capital RM'000	ICPS RM'000	RCPS RM'000	Share Premium RM'000	Warrant Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	
(Unaudited)											
At 1 January 2020	225,007	-	-	-	(1,466)	766	(29,687)	237,968	432,588	13,621	446,209
Profit for the financial year	-	-	-	-	-	-	-	50,862	50,862	576	51,438
Other comprehensive income for the financial year	-	-	-	1,588	-	-	(46,387)	-	(44,799)	(690)	(45,489)
Total comprehensive income for the financial year	-	-	-	1,588	-	-	(46,387)	50,862	6,063	(114)	5,949
At 31 December 2020	225,007	-	-	122	-	766	(76,074)	288,830	438,651	13,507	452,158

	Attributable to Owners of the Parent					Distributable	Total Equity RM'000				
	Non-Distributable		Foreign Currency								
	Share Capital RM'000	ICPS RM'000	RCPS RM'000	Share Premium RM'000	Warrant Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	
(Audited)											
At 1 January 2019	207,574	-	-	-	(1,433)	766	(29,687)	186,499	363,719	13,538	377,257
- as previously reported	-	-	-	-	-	-	-	(35)	(35)	-	(35)
Effect of adopting MFRS 16	-	-	-	-	(1,433)	766	(29,687)	186,464	363,684	13,538	377,222
At January 2019	207,574	-	-	-	(1,433)	766	(29,687)	186,464	363,684	13,538	377,222
Profit for the financial year	-	-	-	-	-	-	-	51,500	51,500	86	51,586
Other comprehensive income for the financial year	-	-	-	(33)	-	-	-	-	(33)	(3)	(36)
Total comprehensive income for the financial year	-	-	-	(33)	-	-	-	51,500	51,467	83	51,550
Transaction with Owners:											
Issue of ordinary shares - private placement	17,433	-	-	-	-	-	-	-	17,433	-	17,433
Warrant expired	-	-	-	-	-	-	-	-	-	-	-
Share option lapsed	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2019	225,007	-	-	(1,466)	-	766	(29,687)	237,964	432,584	13,621	446,205

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the quarter ended 31 December 2020

	12 months ended 31-Dec-20 RM'000 (Unaudited)	12 months ended 31-Dec-19 RM'000 (Unaudited)
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	79,957	76,083
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	6,333	1,880
Depreciation of investment properties	2,191	1,608
Amortisation of intangible assets	2,896	3,405
Amortisation of Right-of-use assets	3,648	2,425
Write-down of inventories	-	-
Share of results of associates and joint ventures	-	16
Impairment of trade receivables	-	314
(Gain)/ Loss on disposal of property, plant and equipment	-	(258)
Provision for liquidated ascertained damages	-	-
Loss /(Gain) on unrealised foreign exchange	899	-
Loss /(Gain) on disposal of other investment	-	(779)
PPE written off	-	-
Finance cost	20,732	24,565
Finance income	(1,849)	(1,996)
<b>Operating profit before working capital changes</b>	<b>114,807</b>	<b>107,263</b>
<b>Movements in working capital</b>		
Contract assets/ (liabilities)	71,338	(24,006)
Inventories and other contract costs	(49,928)	(15,363)
Receivables	(169,213)	(53,840)
Payables	(129,137)	148,784
	<b>(276,940)</b>	<b>55,575</b>
<b>Cash generated from/ (used in) operations</b>		
Interest paid	(20,732)	(37,257)
Tax paid	(6,777)	(10,955)
Tax refund	-	192
Payment of liquidated ascertained damages	-	-
Interest received	-	1,996
	<b>(27,509)</b>	<b>(46,024)</b>
<b>Net cash used in operating activities</b>	<b>(189,642)</b>	<b>116,814</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and investment properties	(10,403)	(64,644)
Additions to inventories - land held for property development	-	(4,000)
Proceeds from disposal of property, plant and equipment & investment properties	486	10,911
Quarry development cost	(502)	(801)
Interest received	-	-
Investment	-	1,963
Dividend paid	-	-
Acquisition of additional interest in a subsidiary (net)	-	-
Changed in pledged deposits	25,641	(5,791)
Contribution from non-controlling interest	-	-
<b>Net cash (used in)/from investing activities</b>	<b>15,222</b>	<b>(62,362)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(22,056)	(21,029)
Drawdown of borrowings	175,366	12,775
Repayment of hire purchase and leases	(7,445)	(4,435)
Proceeds from private placement	-	17,433
Proceeds from exercise on warrants	-	-
Proceeds from exercise on ESOS	-	-
<b>Net cash from financing activities</b>	<b>145,865</b>	<b>4,744</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(28,555)</b>	<b>59,196</b>
Effect of changes in foreign exchange rate	-	(92)
<b>OPENING BALANCE</b>	<b>46,325</b>	<b>(12,779)</b>
<b>CLOSING BALANCE</b>	<b>17,770</b>	<b>46,325</b>
<b>Closing balance of cash and cash equivalents comprises:-</b>		
Cash and bank balances	40,814	54,186
Bank overdraft	(14,799)	(21,672)
Fixed deposits with licensed banks	7,592	31,383
Cash and cash equivalents restricted from use	(15,837)	(17,572)
	<b>17,770</b>	<b>46,325</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements

## HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)

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

#### 1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”). For the periods up to and including the financial year ended 31 December 2019, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

The audited consolidated financial statements of the Group for the year ended 31 December 2019 which were prepared under MFRS and IFRS are available upon request from the Company’s registered office at Ho Hup Tower – Aurora Place, 2-07-01-Level 7, Plaza Bukit Jalil, No.1, Jalan Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its audited consolidated financial statements as at the end for the financial year ended 31 December 2019.

#### 2. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments that apply for the first time in 2020 do not have a material impact on the annual consolidated financial statements of the Group nor to the interim condensed consolidated financial statements of the Group.

On 1 January 2020, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after the dates stated below:

	<u>Effective dates for financial periods beginning on or after</u>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3      Definition of a Business	1 January 2020
Amendments to MFRS 9,      Interest Rate Benchmark Rate Reform MFRS 139 and MFRS 7	1 January 2020

## 2. Significant accounting policies (cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 101	Classification of Liabilities as Current and Non-current	1 January 2022
Amendments to MFRS 10 and MFRS 128	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The adoption of the above standards and amendments will not have any material effect on the financial performance or position of the Group.

## 3. Audit report on preceding annual financial statements

The auditors issued an unqualified audit opinion on the financial statements for the year ended 31 December 2019.

## 4. Segmental reporting

	Cumulative 12 months			
	Revenue		Profit attributable to owners of the parent	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
<b>Business Segment</b>				
Construction	58,182	213,040	(8,024)	3,987
Property Development	222,416	231,752	71,358	72,212
Building Material	27,140	34,902	(4,937)	(4,829)
Others	4,426	1,202	(11,328)	(4,314)
Inter-segment eliminations	(19,984)	(109,528)	4,371	(15,470)
Total before non-controlling interest	<b>292,180</b>	<b>371,368</b>	<b>51,440</b>	<b>51,586</b>
Non-controlling interest	-	-	(576)	(86)
Total	<b>292,180</b>	<b>371,368</b>	<b>50,864</b>	<b>51,550</b>

## 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 December 2020.

## 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. Changes in debts and equity securities**

i) The following equity securities were issued during the financial period under review:

The movement of the Employees' Share Option Scheme ("the Scheme") for the period under review is as follows:

Number of options over ordinary shares at exercise price of RM0.74 each:

	<b>No. of Options</b>
Granted on 1 September 2015	6,000,900
Outstanding unexercised options as at 31 December 2019	3,648,800
Exercised during the period	-
Lapsed during the period	(3,648,800)
Outstanding unexercised options as at 31 December 2020	0

The Scheme had duly expired on 20 August 2020.

ii) There were no issuances, cancellations, repurchases, resale and repayments of debts securities during the financial period under review.

**11. Changes in composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

## 12. Changes in contingent liabilities

	Group		Company	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies				
- Limit of guarantee	0	0	811,067	738,067
- Amount utilised	0	0	439,009	348,658
Corporate guarantees given to a supplier of goods to subsidiary companies				
- Limit of guarantee	0	0	28,850	28,850
- Amount utilised	0	0	2,336	1,797
Guarantees issued by financial institutions in connection with performance bonds, security and tender deposits in favour of third parties for construction projects	19,164	8,677	19,163	8,677

Apart from the above, there were no changes in contingent liabilities (other than the material litigations disclosed under Note B12 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

There were no capital commitments as at the date of this quarterly report.

## 14. Significant Subsequent Events

The following corporate announcements were made after the financial year ended as follows:-

- 1) On the 9<sup>th</sup> February 2021, the Company had issued a circular to its shareholders in relation to the Proposed Joint Venture between Ho Hup Dagang Jaya Sdn Bhd, a wholly-owned subsidiary of Ho Hup Construction Company Berhad ("Ho Hup") And Low Chee Group Sdn Bhd, to undertake a residential development on 2 parcels of land located in Taman Dagang Jaya, Ampang measuring approximately 4.71 acres and 7.06 acres into 824 units of condominium and 353 units of Rumah Selangorku.

The EGM held on the 24<sup>th</sup> of February 2021 with the resolution duly approved by shareholders.

- 2) On 15 February 2021, the Company announced the completion of the first tranche of the private placement following the listing and quotation for 47,658,000 placement shares on the Main Market of Bursa Malaysia Securities Berhad on 15 February 2021.



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

**1. Group Performance Review**

**A) Performance of Current Quarter compared with Previous Year Corresponding Quarter**

Business Segment	Individual Quarter 3 months ended							
	Revenue				Profit attributable to owners of the parent			
	31.12.20	31.12.19	Changes		31.12.20	31.12.19	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	10,676	115,417	(104,741)	(90.75)	(2,595)	1,836	(4,431)	(>100.00)
Property Development	66,983	121,139	(54,156)	(44.70)	16,272	44,172	(27,900)	(63.16)
Building Material	10,221	6,952	3,269	47.02	(1,057)	(1,424)	367	25.77
Others	1,084	366	718	>100.00	(5,972)	(3,328)	(2,644)	(79.44)
Inter-segment eliminations	(8,106)	(77,349)	69,243	89.52	1,482	(13,911)	15,393	>100.00
<b>Total before non-controlling interest</b>	<b>80,858</b>	<b>166,525</b>	<b>(85,667)</b>	<b>(51.44)</b>	<b>8,130</b>	<b>27,345</b>	<b>(19,215)</b>	<b>(70.26)</b>
Non-controlling interest	-	-	-	-	1,445	(1,377)	2,822	>100.00
<b>Total</b>	<b>80,858</b>	<b>166,525</b>	<b>(85,667)</b>	<b>(51.44)</b>	<b>9,575</b>	<b>25,968</b>	<b>(16,393)</b>	<b>(63.12)</b>

The Group revenue for the current quarter decreased by RM85.6 million or 51.4% as compared to previous year corresponding quarter due to the following:

**a) Construction**

Revenue declined by RM104.7 million or 90.7% mainly due to the implementation of RMCO directive, resulted in the slower overall construction progress for the rehabilitation work in Besut, bridge works in Teluk Intan, road project in Yong Peng and the construction of the Technical Vocational College (TVET) in Kulai.

**b) Property Development**

Property revenue declined mainly due to the lower share of progressive billings for both the Phase 3 Park 2 and the sales of the Pavilion Bukit Jalil Mall, coupled with limited progress billings for the Kota Kinabalu Crown development units.

**c) Building Material**

Revenue increased by RM3.26 million or 47.2% due to demand for rock supply from site batching plant project in Kota Damansara.

Accordingly, the Group recorded an overall lower profit after tax (PAT) of RM19.2 million or less than 70.26% as compared to the same corresponding quarter in the previous year, with the lower progress billings for both the Phase 3 Park 2 and Pavilion Bukit Jalil Mall property development.

**B) Performance of Current Cumulative Twelve Months compared with Previous Year Corresponding Twelve Months**

Business Segment	Cumulative 12 months ended							
	Revenue				Profit attributable to owners of the parent			
	31.12.20	31.12.19	Changes		31.12.20	31.12.19	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	58,182	213,040	(154,858)	(72.68)	(8,024)	3,987	(12,011)	(>100.00)
Property Development	222,416	231,934	(9,518)	(4.10)	71,358	72,212	(854)	(1.18)
Building Material	27,140	34,902	(7,762)	(22.23)	(4,937)	(4,829)	(108)	(0.02)
Others	4,426	1,020	3,406	>100.00	(11,328)	(4,314)	(7,014)	(>100.00)
Inter-segment eliminations	(19,984)	(109,528)	89,544	81.95	4,371	(15,470)	19,841	>100.00
<b>Total before non-controlling interest</b>	<b>292,180</b>	<b>371,368</b>	<b>(79,188)</b>	<b>(21.32)</b>	<b>51,440</b>	<b>51,586</b>	<b>(146)</b>	<b>(0.02)</b>
Non-controlling interest	-	-	-	-	(576)	(86)	(490)	(>100.00)
<b>Total</b>	<b>292,180</b>	<b>371,368</b>	<b>(79,188)</b>	<b>(21.32)</b>	<b>50,864</b>	<b>51,500</b>	<b>(636)</b>	<b>(1.23)</b>

The Group overall revenue declined by RM79.1 million and profit after tax decreased by RM0.1 million for the financial year ended 31 December 2020. The Divisional revenue and profit after tax are explained as follows:-

**a) Construction**

Overall cumulative revenue for the period declined by RM154.8 million due to the imposition of the MCO directive, which at its early stage resulted in the suspension of construction activities for four months.

**b) Property Development**

Cumulative Property Development revenue for the period decreased marginally by RM9.5 million, mainly from the Bukit Jalil City project under the Joint Development Agreement (JDA) for Phase 2, Phase 3 and the progress billings of Kota Kinabalu Crown development units.

**c) Building Material**

Revenue slightly declined by RM7.76 million or 22.23% impacted by the MCO imposition which resulted in the lower supply of rocks for the rehabilitation work activities in the Besut project.

Overall, the Group recorded a lower profit after tax (PAT) of RM0.1 million or lower by 0.02% as compared to the same corresponding quarter in the previous financial period assisted by cost rationalization exercise to streamline cost with actual activity progress.

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

Business Segment	Individual Quarter 3 months ended							
	Revenue				Profit before tax			
	31.12.20	30.09.20	Changes		31.12.20	30.09.20	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	10,676	47,506	(36,830)	(77.52)	(2,595)	(5,429)	2,834	52.20
Property Development	66,983	155,434	(88,451)	(56.90)	16,272	55,092	(38,820)	(70.46)
Building Material	10,221	16,919	(6,698)	(39.58)	(1,057)	(3,880)	2,823	72.75
Others	1,084	3,342	(2,258)	(67.56)	(5,972)	(5,357)	(615)	(11.48)
Inter-segment eliminations	(8,106)	(11,879)	3,773	31.76	1,482	2,884	(1,402)	(48.61)
<b>Total</b>	<b>80,858</b>	<b>211,322</b>	<b>(130,464)</b>	<b>(61.73)</b>	<b>8,130</b>	<b>43,310</b>	<b>(35,180)</b>	<b>(81.22)</b>

Revenue for the current quarter is lower compared to the immediate preceding quarter mainly from the lower revenue recognition from sales of the Pavilion Bukit Jalil Mall and Joint Development Agreement (JDA) entitlement of 18% recognised from the Phase 3 Park Residences completion. Lower progressive sales of Kota Kinabalu Crown development units were recorded from the retail lots sales but generally sales were affected by the MCO lockdown period due to the Covid-19 pandemic. The profit before tax decreased by RM35.1 million based on the decrease in revenue with impact due to slow progress of construction works because of the MCO lockdown. Thus, impacting the recognition of revenue.

**3. (a) Financial Year 2021 Prospects**

The Board expects the financial year 2021 to be another challenging year with most business sectors continue to be sluggish due to the impact created by Covid-19 pandemic. Accordingly, management focus for the new financial year shall be on cost management and realigning manpower needs to support the on-going activities.

**(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced**

There was no financial forecast previously announced by the Group.

**4. Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced**

Not applicable.

**5. Financial estimate, forecast or projection/profit guarantee**

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.

**6. Variance of actual profit from forecast profit and shortfall in profit guarantee**

This is not applicable.

## 7. Taxation

The breakdown of tax expense for the current year under review is as follow:

	<b>Current Quarter Ended 31.12.20 RM'000</b>
Current period tax expense	30,210
Deferred tax expense	(1,695)
	<b>28,518</b>

The Group's effective tax rate for the current quarter was higher than the statutory tax rate mainly due to losses from other subsidiaries which reduced profit before tax of the Group.

## 8. Status of current corporate proposals

### A. Proposed Private Placement of up to 82,476,700 new ordinary shares

The Company had on 10<sup>th</sup> July 2020, announced that the Company is proposing to undertake a rights issue of up to 82,476,799 new Redeemable Preference Shares ("RPS") at an issue price of RM1.00 per RPS together with up to 206,191,997 free detachable warrants ("Warrants") on the basis of 1 RPS for every 5 existing ordinary shares held and 5 Warrants for every 2 RPS subscribed at an entitlement date to be determined by the Board at a later date.

On 20 November 2020, the Company aborted the RPS exercise and replace it with a private placement of up to 20% of the total number of issued shares of the Company or equivalent to 82,476,700 placement shares. Bursa Malaysia Securities Berhad had via its letter dated 29 December 2020 approved the listing of and quotation for up to 82,476,700 placement shares to be issued pursuant to the proposed private placement.

On 15 February 2021, the Company announced the completion of the first tranche of the private placement following the listing and quotation for 47,658,000 placement shares on the Main Market of Bursa Malaysia Securities Berhad on 15 February 2021.

### B. Proposed Joint Venture for Dagang Jaya project

On the 9<sup>th</sup> February 2021, the Company had issued a circular to its shareholders in relation to the Proposed Joint Venture between Ho Hup Dagang Jaya Sdn Bhd, a wholly-owned subsidiary of Ho Hup Construction Company Berhad ("Ho Hup") And Low Chee Group Sdn Bhd, to undertake a residential development on 2 parcels of land located in Taman Dagang Jaya, Ampang measuring approximately 4.71 acres and 7.06 acres into 824 units of condominium and 353 units of Rumah Selangorku.

The proposed resolution was duly approved at its EGM by shareholders on 24<sup>th</sup> of February 2021.

Other than the above, there were no 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.

**9. Group borrowings and debt securities**

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings denominated in Ringgit Malaysia:		
Secured		
<u>Non-Current</u>		
Finance lease liabilities	13,284	11,131
Bank borrowings	340,981	163,931
<u>Current</u>		
Finance lease liabilities	6,600	5,814
Bank borrowings	171,040	191,480
Total Borrowings	<u>531,905</u>	<u>372,356</u>

**10. Derivative Financial instrument**

This is not applicable.

**11. 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.

**12. Changes in material litigations**

**a) Hon'ble II Chief Judge City Civil Court, Hyderabad O.P.No. 2039 of 2008**

On 9 March 2005, Ho Hup Construction Company (India) Pte Ltd ("HHCCI"), a wholly-owned subsidiary of Ho Hup, entered into a joint development agreement with the Andhra Pradesh Housing Board ("APHB") to develop an integrated township at Raviryal Village, Maheshwaran Mandal, Rangareddy District, Andhra Pradesh ("JDA").

The JDA was subsequently terminated by APHB. HHCCI disputed the termination on the grounds that APHB had yet to comply with its obligations in respect of the conditions precedent under the JDA.

On 2 May 2005, HHCCI commenced an arbitration proceeding to claim for expenses incurred and damages due to the unlawful termination of the JDA. On 19 May 2008, an arbitration award was published in HHCCI's favour ("Award"). The Award provides for:

- (a) The upfront fee in the amount of Rs16,796,250 together interest at the rate of 12% per annum to be refunded to HHCCI, interest of which is to be calculated from 1 February 2006 to the date of the refund being made; and
- (b) Compensation for expenses incurred in the amount of Rs600,000 together with interest at the rate of 9% per annum, interest of which is to be calculated from 6 January 2006.

## **12. Changes in material litigations (cont'd)**

### **a) Hon'ble II Chief Judge City Civil Court, Hyderabad O.P.No. 2039 of 2008 (cont'd)**

On 18 November 2013, APHB filed an appeal against the Award and applied to set aside the Award. The appeal was dismissed and ruled in favour of HHCCI by the Appellate Court on 19 January 2018. There being no further appeal filed by APHB against the ruling of the Appellate Court, the Award is now deemed final and absolute. APHB had yet to comply with the terms of the Award and HHCCI had instructed their solicitors to commence recovery proceeding to enforce the Award against APHB.

Following thereto, HHCCI has lodged an Execution Petition before the City Civil Courts at Hyderabad, India to proceed with execution and recovery of Appellate Court's award against APHB. The matter is pending before City Civil Courts at Hyderabad.

### **b) Ho Hup Construction Company Berhad vs Seni Kenanga Sdn Bhd and Hj Said Binaan Sdn Bhd (In Liquidation)**

The Company had awarded a building contract to Hj Said Binaan Sdn Bhd-Seni Kenanga Sdn Bhd JV ("Contractors") on 28 March 2014 for the construction and completion of the Company's project located at Bandar Bukit Jalil, Kuala Lumpur ("Project").

The Contractors were to complete construction of the Project within the contract period but failed to complete the Project within the specific time period. Hence, the Contractors has breached its contract with the Company.

The Company has claimed a sum of RM54,200,000.00 as at 31 March 2019 as ascertained liquidated damages ("LAD") against the Contractors and a further sum of RM14,798,828.99 as of 31 December 2019 being back charges for work done by the Company to complete the Project arising from the Contractors' failure to complete the Project within contracted time period, cost and interest.

The Company had filed a suit against Seni Kenanga Sdn Bhd and Hj Said Binaan Sdn Bhd (In Liquidation) and announced to Bursa Malaysia Securities Berhad on 26 August 2020.

Except as disclosed above, there were no other material changes in material litigations since the last annual financial year and made up to 19 November 2020, being the latest practicable date from the date of the issue of this quarterly report.

## **13. Dividend**

No interim dividend proposed for this quarter under review.

#### 14. Related Party Disclosures

The Group carried out the following related party transactions during the period under review:

	Individual Quarter 3 Months ended		Cumulative Quarter 12 Months ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
<b>Transaction with Directors of the Company</b> -Progress billing received/receivable	-	-	-	-
<b>Transaction with companies in which a substantial shareholder has interest</b> -Progress billing received/receivable	-	-	-	-
<b>Transaction with Directors of related companies</b> -Progress billing received/receivable	-	-	-	-
<b>Transaction with a major shareholder</b> -Progress billing received/receivable	-	-	-	-
<b>Transaction with a Company in which a Director of a related company has interest</b> - Progress billing received/ receivable	-	-	-	-
<b>Transaction with subsidiary companies of a corporate shareholder with a significant influence over the Company</b> -Progress billing received/receivable	-	-	-	-
-Interest expenses paid/payable	(2,058)	(3,113)	(4,0087)	(7,157)
-Drawdown of term loans	-	-	6,235	-
-Repayment of term loans	-	-	-	-
<b>Transaction with a minority shareholder of a subsidiary company</b> -Project management fee paid/payable	(200)	-	(740)	-
<b>Transaction with a company in which a Director of the Company has interest</b> -Progress claims paid/payable	(6,864)	(6,533)	(12,055)	(12,883)
- Rental of Retail Spaces	(60)	(280)	(210)	(699)
- Rental of Office	316	(351)	631	(351)

## 15. Profit before Tax

	Individual Quarter 3 Months ended		Cumulative Quarter 12 Months ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
<b>Profit before tax is arrived at after charging:-</b>				
Depreciation of property, plant and equipment ("PPE")	1,666	1,571	6,331	2,771
Depreciation of investment properties ("IP")	548	85	2,190	339
Amortisation of intangible asset	18	1,415	2,896	3,801
Amortisation of Right-of-use assets	916	342	3,648	620
Rental expenses	382	234	938	820
Finance cost	7,552	8,258	20,732	24,565
<b>And Crediting:-</b>				
Gain on disposal of PPE	-	-	-	-
Rental income	602	360	2,137	1,492
Finance income	(2,394)	1,726	1,716	1,932

## 16. 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 31.12.2020	Preceding year corresponding quarter 31.12.2019	Financial year to-date 31.12.2020	Preceding year corresponding period to-date 30.12.2019
Net profit for the period attributable to owners of the parent (RM'000)	9,575	25,968	50,864	51,500
Weighted average number of ordinary shares ('000)	412,383	412,383	412,383	412,383
<b>Basic EPS (sen)</b>	<b>2.32</b>	<b>6.30</b>	<b>12.33</b>	<b>12.48</b>



16. Earnings per share (cont'd)

***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.

	<b>Current quarter 31.12.2020</b>	<b>Preceding year corresponding quarter 31.12.2019</b>	<b>Financial period to-date 31.12.2020</b>	<b>Preceding year corresponding period to-date 31.12.2019</b>
Net profit for the period attributable to owners of the parent (RM'000)	9,575	25,968	50,864	51,500
Adjustment for convertible preference dividend (RM'000)	-	-	-	-
<b>Adjusted net profit for the period attributable to owners of the parent (RM'000)</b>	<b>9,575</b>	<b>25,968</b>	<b>50,864</b>	<b>51,500</b>
Weighted average number of ordinary shares ('000)	412,383	412,383	412,383	412,383
Adjustment for Warrants ('000)	-	-	-	-
Adjustment for ESOS ('000)	-	-	-	-
<b>Adjusted weighted average number of ordinary shares in issue ('000)</b>	<b>412,383</b>	<b>412,383</b>	<b>412,383</b>	<b>412,383</b>
<b>Diluted EPS (sen)</b>	<b>2.32</b>	<b>6.30</b>	<b>12.33</b>	<b>12.48</b>

**By Order of the Board**

Dato' Wong Kit-Leong

Chief Executive Officer

Kuala Lumpur

24 February 2021