

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the financial period ended 31 March 2021**

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	31 Mar 2021 RM'000 (Unaudited)	31 Mar 2020 RM'000 (Unaudited)	31 Mar 2021 RM'000 (Unaudited)	31 Mar 2020 RM'000 (Unaudited)
Revenue	44,352	80,302	44,352	80,302
Cost of Sales	(24,585)	(41,917)	(24,585)	(41,917)
<b>Gross Profit</b>	<b>19,767</b>	<b>38,385</b>	<b>19,767</b>	<b>38,385</b>
Other income	3,468	2,404	3,468	2,404
Administrative expenses	(3,587)	(4,124)	(3,587)	(4,124)
Operating expenses	(9,231)	(10,620)	(9,231)	(10,620)
<b>Profit from operating activities</b>	<b>10,417</b>	<b>26,045</b>	<b>10,417</b>	<b>26,045</b>
Finance income	302	541	302	541
Finance cost	(4,145)	(3,329)	(4,145)	(3,329)
<b>Net finance cost</b>	<b>(3,843)</b>	<b>(2,788)</b>	<b>(3,843)</b>	<b>(2,788)</b>
Share of results of associates and joint ventures	-	-	-	-
<b>Profit before tax</b>	<b>6,574</b>	<b>23,257</b>	<b>6,574</b>	<b>23,257</b>
Taxation	(689)	(4,617)	(689)	(4,617)
<b>Profit for the period</b>	<b>5,885</b>	<b>18,640</b>	<b>5,885</b>	<b>18,640</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Parent	5,020	15,847	5,020	15,847
Non-Controlling Interest	865	2,793	865	2,793
<b>Profit for the period</b>	<b>5,885</b>	<b>18,640</b>	<b>5,885</b>	<b>18,640</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Parent	5,020	15,847	5,020	15,847
Non-Controlling Interest	865	2,780	865	2,780
<b>Total comprehensive income for the period</b>	<b>5,885</b>	<b>18,627</b>	<b>5,885</b>	<b>18,627</b>
<b>Earnings per share attributable to owners of the parent (sen):</b>				
Basic	1.01	3.84	1.01	3.84
Diluted	1.01	3.84	1.01	3.84

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the financial period ended 31 March 2021

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	<u>31 Mar 2021</u> RM'000 (Unaudited)	<u>31 Mar 2020</u> RM'000 (Unaudited)	<u>31 Mar 2021</u> RM'000 (Unaudited)	<u>31 Mar 2020</u> RM'000 (Unaudited)
<b>Profit for the period</b>	<b>5,885</b>	<b>18,640</b>	<b>5,885</b>	<b>18,640</b>
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation differences for foreign operations	-	(13)	-	(13)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>(13)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>5,885</b>	<b>18,627</b>	<b>5,885</b>	<b>18,627</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Parent	5,020	15,847	5,020	15,847
Non-Controlling Interest	865	2,780	865	2,780
<b>Total comprehensive income for the period</b>	<b>5,885</b>	<b>18,627</b>	<b>5,885</b>	<b>18,627</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2021

	As at <b>31 Mar 2021</b> RM'000 (Unaudited)	As at <b>31 Dec 2020</b> RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	215,983	216,450
Right-of-use assets	23,684	26,083
Investment properties	121,404	122,023
Intangible assets	78	78
Land rights	86,499	87,264
Goodwill	10,978	10,978
Quarrying rights	814	843
Inventories	83,260	83,260
Investment in joint ventures	404	404
Quarry development costs	5,885	6,146
Other Investment	3,490	2,659
	<u>552,479</u>	<u>556,188</u>
<b>Current Assets</b>		
Inventories and other contract costs	332,065	315,677
Contract assets	49,558	48,881
Trade receivables	348,607	280,422
Other receivables	85,707	100,065
Amount due from a joint venture	99	99
Tax recoverable	102	52
Fixed deposits with licensed banks	7,588	7,588
Cash and bank balances	31,182	41,601
	<u>854,908</u>	<u>794,385</u>
<b>TOTAL ASSETS</b>	<u>1,407,387</u>	<u>1,350,573</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Ordinary share capital	256,870	225,007
Other reserves	(76,235)	(75,751)
Foreign currency translation reserve	(1,352)	(1,240)
Retained Earnings	292,233	287,213
	<u>471,516</u>	<u>435,229</u>
<b>Non-Controlling Interest</b>	14,619	13,551
<b>Total Equity</b>	<u>486,135</u>	<u>448,780</u>
<b>Non-Current Liabilities</b>		
Finance lease liabilities	11,258	11,521
Bank borrowings	347,790	321,846
Deferred tax liabilities	21,941	22,124
	<u>380,989</u>	<u>355,491</u>
<b>Current Liabilities</b>		
Contract liabilities	-	29,446
Provision for liquidated ascertained damages	392	1,001
Bank borrowings	210,617	188,086
Trade payables	153,152	112,108
Other payables	109,993	143,610
Finance lease liabilities	4,406	7,971
Provision for taxation	61,703	64,080
	<u>540,263</u>	<u>546,302</u>
<b>Total Liabilities</b>	<u>921,252</u>	<u>901,793</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,407,387</u>	<u>1,350,573</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>0.95</u>	<u>1.06</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 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 financial period ended 31 March 2021

	Attributable to Owners of the Parent						Total Equity RM'000
	Share Capital RM'000	Non-Distributable Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	
(Unaudited) At 1 January 2021	225,007	(1,240)	-	(75,751)	287,213	435,229	448,780
Profit for the financial period	-	-	-	-	5,020	5,020	5,885
Other comprehensive income for the financial period	-	(112)	-	(484)	-	(596)	(393)
<b>Total comprehensive income for the financial period</b>	-	(112)	-	(484)	5,020	4,424	5,492
<b>Transaction with Owners:</b>							
Issue of ordinary shares - private placement	31,863	-	-	-	-	31,863	31,863
	31,863	-	-	-	-	31,863	31,863
<b>At 31 March 2021</b>	<b>256,870</b>	<b>(1,352)</b>	<b>-</b>	<b>(76,235)</b>	<b>292,233</b>	<b>471,516</b>	<b>486,135</b>

	Attributable to Owners of the Parent						Total Equity RM'000
	Share Capital RM'000	Non-Distributable Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	
(Unaudited) At January 2020	225,007	(1,466)	766	(29,687)	237,964	432,584	446,205
Profit for the financial period	-	-	-	-	15,847	15,847	18,640
Other comprehensive income for the financial period	-	(13)	-	-	-	(13)	(13)
<b>Total comprehensive income for the financial period</b>	-	(13)	-	-	15,847	15,834	18,627
<b>Transaction with Owners:</b>							
Issue of ordinary shares - private placement	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>225,007</b>	<b>(1,479)</b>	<b>766</b>	<b>(29,687)</b>	<b>253,811</b>	<b>448,418</b>	<b>464,832</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 31 March 2021**

	3 months ended 31-Mar-21 RM'000 (Unaudited)	3 months ended 31-Mar-20 RM'000 (Unaudited)
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,574	23,257
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	543	2,183
Depreciation of investment properties	548	85
Amortisation of intangible assets	765	606
Amortisation of Right-of-use assets	1,165	563
Loss /(Gain) on unrealised foreign exchange	91	-
Finance cost	4,145	3,329
Finance income	(302)	(541)
<b>Operating profit before working capital changes</b>	<b>13,529</b>	<b>29,482</b>
Movements in working capital		
Contract assets/ (liabilities)	(30,123)	(33,808)
Inventories and other contract costs	(16,388)	(70,755)
Receivables	(54,658)	37,599
Payables	5,964	(1,760)
<b>Cash generated from / (used in) operations</b>	<b>(95,205)</b>	<b>(68,724)</b>
Interest paid	(4,145)	(3,329)
Tax paid	(2,927)	559
Tax refund	-	-
Payment of liquidated ascertained damages	-	-
Interest received	-	-
<b>Net cash used in operating activities</b>	<b>(7,072)</b>	<b>(2,770)</b>
	<b>(88,748)</b>	<b>(42,012)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and investment properties	(76)	-
Proceeds from disposal of property, plant and equipment & investment properties	1,307	7,691
Quarry development cost	289	(3,049)
Changed in pledged deposits	302	-
Contribution from non-controlling interest	-	-
<b>Net cash from investing activities</b>	<b>1,822</b>	<b>4,642</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(3,828)	(9,944)
Drawdown of borrowings	48,195	43,887
Repayment of hire purchase and leases	-	(2,897)
Proceeds from private placement	31,863	-
Proceeds from exercise on ESOS	-	-
<b>Net cash from financing activities</b>	<b>76,230</b>	<b>31,046</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(10,696)</b>	<b>(6,324)</b>
Effect of changes in foreign exchange rate		
OPENING BALANCE	27,696	46,325
CLOSING BALANCE	17,000	40,001
<b>Closing balance of cash and cash equivalents comprises:-</b>		
Cash and bank balances	31,182	88,342
Bank overdraft	(13,333)	(11,728)
Fixed deposits with licensed banks	7,588	25,677
Cash and cash equivalents restricted from use	(8,437)	(62,290)
	17,000	40,001

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)  
 Quarterly Report On Consolidated Results  
 For the financial period ended 31 March 2021

Notes To The Interim Financial Statements  
 (The figures have not been audited)

**1. Segmental Reporting**

	Construction	Property Development	Building Material	Others	Inter-segment Elimination	Total
<b>3months ended period ended 31 March 2021</b>						
<b>REVENUE</b>						
Revenue as reported	2,546	33,181	7,354	1,271	-	44,352
Inter-segment sales	8,396	-	-	-	(8,396)	-
<b>Total Revenue</b>	<b>10,942</b>	<b>33,181</b>	<b>7,354</b>	<b>1,271</b>	<b>(8,396)</b>	<b>44,352</b>
<b>RESULTS</b>						
Profit from operations	955	12,938	(2,331)	(260)	(583)	10,719
Finance costs	(1,400)	(1,782)	(50)	(913)	-	(4,145)
Share of profit of associated companies	-	-	-	-	-	-
<b>Profit before taxation</b>	<b>(445)</b>	<b>11,156</b>	<b>(2,381)</b>	<b>(1,173)</b>	<b>(583)</b>	<b>6,574</b>
Taxation	-	(689)	-	-	-	(689)
<b>Profit for the period</b>	<b>(445)</b>	<b>10,467</b>	<b>(2,381)</b>	<b>(1,173)</b>	<b>(583)</b>	<b>5,885</b>
Non-Controlling interest	(804)	(380)	309	95	(85)	(865)
<b>Profit attributable to owners of the Company</b>	<b>(1,249)</b>	<b>10,087</b>	<b>(2,072)</b>	<b>(1,078)</b>	<b>(668)</b>	<b>5,020</b>

HO HUP CONSTRUCTION COMPANY BERHAD (14034-W)  
 Quarterly Report On Consolidated Results  
 For the financial period ended 31 March 2021

Notes To The Interim Financial Statements  
 (The figures have not been audited)

**1. Segmental Reporting (Cont'd)**

	Construction	Property Development	Building Material	Others	Inter-segment Elimination	Total
<b>3months ended period ended 31 March 2020</b>						
<b>REVENUE</b>						
Revenue as reported	7,484	67,928	4,134	756	-	80,302
Inter-segment sales	3,543	-	-	-	(3,543)	-
<b>Total Revenue</b>	<b>11,027</b>	<b>67,928</b>	<b>4,134</b>	<b>756</b>	<b>(3,543)</b>	<b>80,302</b>
<b>RESULTS</b>						
Profit from operations	(1,381)	30,862	(1,173)	(1,669)	(53)	26,586
Finance costs	(790)	(1,697)	(112)	(730)	-	(3,329)
Share of profit of associated companies	-	-	-	-	-	-
<b>Profit before taxation</b>	<b>(2,171)</b>	<b>29,165</b>	<b>(1,285)</b>	<b>(2,399)</b>	<b>(53)</b>	<b>23,257</b>
Taxation	-	(6,000)	-	-	1,383	(4,617)
<b>Profit for the period</b>	<b>(2,171)</b>	<b>23,165</b>	<b>(1,285)</b>	<b>(2,399)</b>	<b>1,330</b>	<b>18,640</b>
Non-Controlling interest	-	(1,861)	73	-	(1,005)	(2,793)
<b>Profit attributable to owners of the Company</b>	<b>(2,171)</b>	<b>21,304</b>	<b>(1,212)</b>	<b>(2,399)</b>	<b>325</b>	<b>15,847</b>

Notes To The Interim Financial Statements  
 (The figures have not been audited)

**2. 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			
	31.3.21	31.3.20	Changes		31.3.21	31.3.20	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	10,942	11,026	(84)	(0.76%)	(445)	(2,171)	1,726	79.50%
Property Development	33,181	67,928	(34,747)	(51.15%)	10,468	23,165	(12,697)	(54.81%)
Building Material	7,354	4,134	3,220	77.89%	(2,381)	(1,285)	(1,096)	(85.29%)
Others	1,271	757	514	68.12%	(1,173)	(2,399)	1,226	51.10%
Inter-segment eliminations	(8,396)	(3,543)	(4,853)	(<100%)	(584)	1,330	(1,914)	(<100%)
<b>Total before non-controlling interest</b>	<b>44,352</b>	<b>80,302</b>	<b>(35,950)</b>	<b>(44.77%)</b>	<b>5,885</b>	<b>18,640</b>	<b>(12,755)</b>	<b>(68.43%)</b>
Non-controlling interest	-	-	-	-	(865)	(2,793)	1,928	69.03%
<b>Total</b>	<b>44,352</b>	<b>80,302</b>	<b>(35,950)</b>	<b>(44.77%)</b>	<b>5,020</b>	<b>15,847</b>	<b>(10,827)</b>	<b>(68.32%)</b>

The Group revenue for the current quarter decreased by RM35.9 million or 44.7% as compared to previous year corresponding quarter due to the following:

a) **Construction**

Revenue declined by RM0.08 million or 0.7% due to the slower overall construction progress for bridge works in Teluk Intan as reaching completion stages. The construction of the Technical Vocational College (TVET) in Kulai and the ECRL project are progressing well in spite of the implementation of RMCO directive.

b) **Property Development**

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

c) **Building Material**

Revenue increased by RM3.22 million or 77.8% due to higher demand from the 3 batching plants located in Subang, USJ and Kota Damansara.

Accordingly, the Group recorded an overall lower profit after tax (PAT) by RM10.8 million or 68.3% lower as compared to the same corresponding quarter in the previous year, caused by lower progress billings for both the Phase 3 Park 2 and Pavilion Bukit Jalil Mall property development



Notes To The Interim Financial Statements  
 (The figures have not been audited)

## 2. Group Performance Review (Cont'd)

### B) 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			
	31.03.21	31.12.20	Changes		31.03.21	31.12.20	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	10,942	10,676	266	2.49%	(445)	(2,595)	2,150	82.85%
Property Development	33,181	66,983	(33,802)	(50.46%)	10,468	16,272	(5,804)	(35.67%)
Building Material	7,354	10,221	(2,867)	(28.05%)	(2,381)	(1,057)	(1,324)	(<100%)
Others	1,271	1,084	187	17.25%	(1,173)	(5,972)	4,799	80.36%
Inter-segment eliminations	(8,396)	(8,106)	(290)	(3.58%)	(584)	1,482	(2,066)	(<100%)
Total	44,352	80,858	(36,506)	(45.15%)	5,885	8,130	(2,245)	(27.61%)

Revenue for the current quarter was lower compared to the immediate preceding quarter mainly arising from the lower revenue recognition from the entitlements of 18% recognized from the sales of the Pavilion Bukit Jalil Mall and the Phase 3 Park Residences. Lower new sales for Kota Kinabalu Crown development, as a result of continuous MCO lockdowns imposed to control the Covid-19 pandemic. The profit before tax decreased by RM2.2 million based on the significant lower revenue as well as the slow progress of construction works due to the continuous and extended MCO lockdowns .

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

The Board expects the financial year 2021 to be another challenging year with most business sectors and consumer sentiment remain low due to the impact created by Covid-19 pandemic. Accordingly, management focus for the new financial year shall be on further streamlining cost management measures and repositioning manpower deployment to best support and sustain the on-going project 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. Financial estimate, forecast or projection/profit guarantee

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

Notes To The Interim Financial Statements  
(The figures have not been audited)

---

**5. Dividend paid**

No dividends have been declared for the current financial period.

**6. Group borrowings and debt securities**

	<b>31.03.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings denominated in Ringgit Malaysia:		
Secured		
<u>Non-Current</u>		
Finance lease liabilities	11,258	11,521
Bank borrowings	347,790	321,846
<u>Current</u>		
Finance lease liabilities	4,406	7,971
Bank borrowings	210,617	188,086
Total Borrowings	<u>574,071</u>	<u>529,424</u>

Notes To The Interim Financial Statements  
 (The figures have not been audited)

## 7. Basis of preparation

These condensed consolidated interim financial statements (“Condensed Report”) have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting*, the International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia. This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

For the periods up to and including the financial year ended 31 December 2020, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

The accounting policies applied by the Group in this Condensed Report 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 2020.

## 8. 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 2021, 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	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	1 January 2020
Amendments to MFRS 101 and MFRS 108	1 January 2020
Amendments to MFRS 4	1 January 2020
Amendments to MFRS 16	1 January 2020

Notes To The Interim Financial Statements  
 (The figures have not been audited)

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 related Rent Concessions beyond 30 June 2021	1 April 2021
Amendment to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual improvements to MFRSs Standards 2018-2020		1 January 2022
<ul style="list-style-type: none"> <li>• Amendment to MFRS 1</li> <li>• Amendment to MFRS 9</li> <li>• Amendment to MFRS 16</li> <li>• Amendment to MFRS 141</li> </ul>		
Amendments to MFRS 116	Property, Plant & Equipment – Proceeds before Intended Use	1 January 2022
Amendment to MFRS 137	Onerous Contracts – Cost of Fulfilling a contract	1 January 2022
Amendment to MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2023
Amendment to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendment to MRS 108	Definition of Accounting Estimates	1 January 2023
Amendment 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.

## 9. Audit report on preceding annual financial statements

The auditors issued an unqualified audit opinion on the financial statements for the year ended 31 December 2020.

Notes To The Interim Financial Statements  
(The figures have not been audited)

---

**10. 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.

**11. 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 2021.

**12. Material changes in estimates**

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

**13. Changes in debts and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts securities during the financial period under review, except for the completion of the private placement following the listing and quotation for 47,658,000 placement shares and 34,818,700 placement shares on the Main Market of Bursa Malaysia Securities Berhad on 15 February 2021 and 19 March 2021 respectively.

**14. 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.

**15. Significant Subsequent Events**

The following corporate announcement was made after the financial period ended as follows:-

- 1) On 20th April 2021, the acquisition of 510,002 ordinary shares in NSSB is deemed completed. Accordingly, NSSB is now a 51% owned subsidiary of the Company.

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

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

Notes To The Interim Financial Statements  
(The figures have not been audited)

## 17. Taxation

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

	<b>Current Quarter Ended 31.03.21 RM'000</b>
Current period tax expense	871
Deferred tax expense	(182)
	689

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.

## 18. Variance of actual profit from forecast profit and shortfall in profit guarantee

This is not applicable.

## 19. 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 18 March 2021, the Company announced the completion of the private placement following the listing and quotation for 47,658,000 placement shares and 34,818,700 placement shares on the Main Market of Bursa Malaysia Securities Berhad on 15 February 2021 and 19 March 2021 respectively.

Notes To The Interim Financial Statements  
(The figures have not been audited)

---

## **19. Status of current corporate proposals (Cont'd)**

### **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.

### **C. Acquisition of 510,002 Ordinary Shares in Niaga Sari Sdn Bhd ("NSSB")**

On 14<sup>th</sup> October 2020 & 16<sup>th</sup> October 2020, the Company had announced its Proposed Acquisition of 51% equity interest in NSSB for a total cash consideration of RM12,000,000.

On 20<sup>th</sup> April 2021, the acquisition of 510,002 ordinary shares in NSSB is deemed completed. Accordingly, NSSB is now a 51% owned subsidiary of the Company.

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.

Notes To The Interim Financial Statements  
 (The figures have not been audited)

## 20. Changes in contingent liabilities

	Group		Company	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies				
- Limit of guarantee	-	-	811,067	738,067
- Amount utilised	-	-	469,720	348,658
Corporate guarantees given to a supplier of goods to subsidiary companies				
- Limit of guarantee	-	-	28,850	28,850
- Amount utilised	-	-	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	19,163	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.

## 21. Capital Commitment

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

## 22. Derivative Financial instrument

This is not applicable.

## 23. 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.



Notes To The Interim Financial Statements  
(The figures have not been audited)

---

#### **24. 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

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.

#### **24. Changes in material litigations (Cont'd)**

##### **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.

#### **25. Dividend**

No interim dividend proposed for this quarter under review.

Notes To The Interim Financial Statements  
 (The figures have not been audited)

**26. Related Party Disclosures**

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

	Individual Quarter 3 Months ended		Cumulative Quarter 3 Months ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 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	(2,019)	(1,526)	(6,106)	(8,683)
-Drawdown of term loans	-	-	6,235	-
-Repayment of term loans	-	(4,042)	-	-
<b>Transaction with a minority shareholder of a subsidiary company</b> -Project management fee paid/payable	(140)	-	(880)	-
<b>Transaction with a company in which a Director of the Company has interest</b> -Progress claims paid/payable	(3,880)	-	(15,935)	(12,883)
- Rental of Retail Spaces	(210)	(210)	(420)	(699)
- Rental of Office	316	(210)	395	(351)

Notes To The Interim Financial Statements  
 (The figures have not been audited)

## 27. 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 31.03.2021	Preceding year corresponding quarter 31.03.2020	Financial year to-date 31.03.2021	Preceding year corresponding period to-date 30.03.2020
<b>Net profit for the period attributable to owners of the parent (RM'000)</b>	<b>5,020</b>	<b>15,847</b>	<b>5,020</b>	<b>15,847</b>
Weighted average number of ordinary shares in 1 January ('000)	412,383	412,383	412,383	412,383
Effect of ordinary shares issued during the financial period ('000)	82,477	-	82,477	-
<b>Weighted average number of shares in issue ('000)</b>	<b>494,860</b>	<b>412,383</b>	<b>494,860</b>	<b>412,383</b>
<b>Basic EPS (sen)</b>	<b>1.01</b>	<b>3.84</b>	<b>1.01</b>	<b>3.84</b>

### **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 31.03.2021	Preceding year corresponding quarter 31.03.2020	Financial period to-date 31.03.2021	Preceding year corresponding period to-date 31.03.2020
Net profit for the period attributable to owners of the parent (RM'000)	5,020	15,847	5,020	15,847
Adjustment for convertible preference dividend (RM'000)	-	-	-	-
<b>Adjusted net profit for the period attributable to owners of the parent (RM'000)</b>	<b>5,020</b>	<b>15,847</b>	<b>5,020</b>	<b>15,847</b>
Weighted average number of ordinary shares ('000)	494,860	412,383	494,860	412,383
Adjustment for Warrants ('000)	-	-	-	-
Adjustment for ESOS ('000)	-	-	-	-
<b>Adjusted weighted average number of ordinary shares in issue ('000)</b>	<b>494,860</b>	<b>412,383</b>	<b>494,860</b>	<b>412,383</b>
<b>Diluted EPS (sen)</b>	<b>1.01</b>	<b>3.84</b>	<b>1.01</b>	<b>3.84</b>

Notes To The Interim Financial Statements  
 (The figures have not been audited)

**28. Profit before Tax**

	Individual Quarter 3 Months ended		Cumulative Quarter 3 Months ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
<b>Profit before tax is arrived at after charging:-</b>				
Depreciation of property, plant and equipment ("PPE")	543	2,183	543	2,183
Depreciation of investment properties ("IP")	548	85	548	85
Amortisation of intangible asset	765	606	765	606
Amortisation of Right-of-use assets	1,165	563	1,165	563
Rental expenses	135	70	135	70
Finance cost	4,145	3,329	4,145	3,329
<b>And Crediting:-</b>				
Gain on disposal of PPE	-	-	-	-
Rental income	757	511	747	511
Finance income	302	541	302	541

**By Order of the Board**  
 Dato' Wong Kit-Leong  
 Chief Executive Officer  
Kuala Lumpur  
 28 May 2021