

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 30 June 2021

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30 June 2021 RM'000 (Unaudited)	30 June 2020 RM'000 (Unaudited)	30 June 2021 RM'000 (Unaudited)	30 June 2020 RM'000 (Unaudited)
Revenue	56,532	62,972	100,884	143,274
Cost of Sales	(37,840)	(31,416)	(62,425)	(73,333)
Gross Profit	18,692	31,556	38,459	69,941
Other income	1,485	28	4,953	2,432
Administrative expenses	(4,052)	(3,875)	(7,639)	(7,999)
Operating expenses	(10,972)	(9,978)	(20,203)	(20,598)
Profit from operating activities	5,153	17,731	15,570	43,776
Finance income	(254)	1,852	48	2,393
Finance cost	(10,648)	(3,657)	(14,793)	(6,986)
Net finance cost	(10,902)	(1,805)	(14,745)	(4,593)
Share of results of associates and joint ventures	-	-	-	-
(Loss)/profit before tax	(5,749)	15,926	825	39,183
Taxation	(438)	(2,325)	(1,127)	(6,942)
(Loss)/profit for the period	(6,187)	13,601	(302)	32,241
(Loss)/profit attributable to:				
Owners of the Parent	(5,709)	14,077	(689)	29,924
Non-Controlling Interest	(478)	(476)	387	2,317
(Loss)/profit for the period	(6,187)	13,601	(302)	32,241
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(5,809)	14,291	(789)	30,138
Non-Controlling Interest	(366)	(474)	499	2,306
Total comprehensive (loss)/income for the period	(6,175)	13,817	(290)	32,444

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 30 June 2021

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30 June 2021 RM'000 (Unaudited)	30 June 2020 RM'000 (Unaudited)	30 June 2021 RM'000 (Unaudited)	30 June 2020 RM'000 (Unaudited)
(Loss)/profit for the period	(6,187)	13,601	(302)	32,241
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	12	216	(100)	203
Other comprehensive (loss)/income for the period, net of tax	12	216	(100)	203
Total comprehensive (loss)/income for the period, net of tax	(6,175)	13,817	(402)	32,444
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(5,601)	14,291	(896)	30,138
Non-Controlling Interest	(574)	(474)	494	2,306
Total comprehensive (loss)/income for the period	(6,175)	13,817	(402)	32,444
(Loss)/earnings per share attributable to owners of the parent (sen):				
Basic	(1.15)	3.41	(0.14)	7.26
Diluted	(1.15)	3.41	(0.14)	7.26

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 30 JUNE 2021

	As at <u>30 June 2021</u> RM'000 (Unaudited)	As at <u>31 Dec 2020</u> RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	213,683	216,450
Right-of-use assets	28,663	26,083
Investment properties	122,318	122,023
Intangible assets	78	78
Land rights	85,624	87,264
Goodwill	15,222	10,978
Quarrying rights	786	843
Inventories and other contract costs	83,260	83,260
Investment in joint ventures	404	404
Quarry development costs	5,624	6,146
Other Investment	6,559	2,659
	<u>562,221</u>	<u>556,188</u>
Current Assets		
Inventories and other contract costs	433,692	315,677
Contract assets	43,762	48,881
Trade receivables	315,933	280,422
Other receivables	69,969	100,065
Amount due from a joint venture	99	99
Tax recoverable	191	52
Fixed deposits with licensed banks	15,083	7,588
Cash and bank balances	36,934	41,601
	<u>915,663</u>	<u>794,385</u>
TOTAL ASSETS	<u>1,477,884</u>	<u>1,350,573</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Ordinary share capital	256,870	225,007
Other reserves	(76,525)	(75,751)
Foreign currency translation reserve	(1,340)	(1,240)
Retained Earnings	286,524	287,213
	<u>465,529</u>	<u>435,229</u>
Non-Controlling Interest	21,439	13,551
Total Equity	<u>486,968</u>	<u>448,780</u>
Non-Current Liabilities		
Finance lease liabilities	3,915	11,521
Bank borrowings	343,829	321,846
Deferred tax liabilities	21,022	22,124
	<u>368,766</u>	<u>355,491</u>
Current Liabilities		
Contract liabilities	85,079	29,446
Provision for liquidated ascertained damages	248	1,001
Bank borrowings	246,935	188,086
Trade payables	80,167	112,108
Other payables	124,054	143,610
Finance lease liabilities	14,639	7,971
Provision for taxation	71,028	64,080
	<u>622,150</u>	<u>546,302</u>
Total Liabilities	<u>990,916</u>	<u>901,793</u>
TOTAL EQUITY AND LIABILITIES	<u>1,477,884</u>	<u>1,350,573</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.94</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.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 June 2021

	Attributable to Owners of the Parent					Total Equity RM'000		
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000		Non- Controlling Interest RM'000	
(Unaudited) At 1 January 2021	225,007	(1,240)	-	(75,751)	287,213	435,229	13,551	448,780
(Loss)/profit for the financial period	-	-	-	-	(689)	(689)	387	(302)
Other comprehensive (loss)/income for the financial period	-	(100)	-	(774)	-	(874)	107	(767)
Total comprehensive income for the financial period	-	(100)	-	(774)	(689)	(1,563)	494	(1,069)
Transaction with Owners:								
Issue of ordinary shares - private placement	31,863	-	-	-	-	31,863	-	31,863
Issuance of shares by a subsidiary to non controlling shareholders	-	-	-	-	-	-	7,394	7,394
	31,863	-	-	-	-	31,863	7,394	39,257
At 30 June 2021	256,870	(1,340)	-	(76,525)	286,524	465,529	21,439	486,968

	Attributable to Owners of the Parent					Total Equity RM'000		
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000		Non- Controlling Interest RM'000	
(Unaudited) At January 2020	225,007	(1,466)	766	(29,687)	237,964	432,584	13,621	446,205
Profit for the financial period	-	-	-	-	29,924	29,924	2,317	32,241
Other comprehensive income/(loss) for the financial period	-	203	-	(3,000)	-	(2,797)	(11)	(2,808)
Total comprehensive income/(loss) for the financial period	-	203	-	(3,000)	29,924	27,127	2,306	29,433
Transaction with Owners:								
Issue of ordinary shares - private placement	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
At 30 June 2020	225,007	(1,263)	766	(32,687)	267,888	459,711	15,927	475,638

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 30 June 2021

	6 months ended 30 June 2021 RM'000 (Unaudited)	6 months ended 30 June 2020 RM'000 (Unaudited)
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before tax	825	39,183
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	3,039	2,956
Depreciation of investment properties	1,335	1,095
Amortisation of intangible assets	1,640	2,742
Amortisation of Right-of-use assets	2,553	1,817
Loss /(Gain) on unrealised foreign exchange	(100)	-
Finance cost	14,623	6,986
Finance income	(48)	(2,393)
Operating profit before working capital changes	23,867	52,386
Movements in working capital		
Contract assets/ (liabilities)	60,752	29,444
Inventories and other contract costs	(118,014)	(17,633)
Receivables	(9,314)	(96,000)
Payables	(45,659)	(20,617)
	(112,235)	(104,806)
Cash generated used in operations		
Interest paid	(14,623)	(6,986)
Tax paid	(2,785)	(3,068)
	(17,408)	(10,054)
Net cash used in operating activities	(105,776)	(62,474)
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and investment properties	(7,037)	(1,429)
Proceeds from disposal of property, plant and equipment & investment properties	-	304
Quarry development cost	(3,665)	(236)
Investment in subsidiary	(12,000)	-
Changed in pledged deposits	1,860	-
Contribution from non-controlling interest	7,502	-
Net cash used in investing activities	(13,340)	(1,361)
CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(10,114)
Drawdown of borrowings	74,672	68,218
Repayment of hire purchase and leases	(939)	(2,492)
Proceeds from private placement	31,863	-
Net cash from financing activities	105,596	55,612
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,520)	(8,223)
Effect of changes in foreign exchange rate		
OPENING BALANCE	27,696	46,325
CLOSING BALANCE	14,176	38,102
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	36,934	69,536
Bank overdraft	(19,213)	(11,558)
Fixed deposits with licensed banks	15,083	25,745
Cash and cash equivalents restricted from use	(18,628)	(45,621)
	14,176	38,102

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

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

1. Segmental Reporting

The Group's segmental reporting for the six months financial period ended 30 June 2021

	Construction	Property Development	Building Material	Others	Inter- segment Elimination	Total
REVENUE						
Revenue as reported	29,037	56,817	11,778	3,252	-	100,884
Inter-segment sales	57,535	-	-	-	(57,535)	-
Total Revenue	86,572	56,817	11,778	3,252	(57,535)	100,884
RESULTS						
Profit from operations	5,016	16,744	(2,493)	(1,541)	(2,108)	15,618
Finance costs	(5,023)	(7,792)	(110)	(1,868)		(14,793)
(Loss)/profit before taxation	(7)	8,952	(2,603)	(3,409)	(2,108)	825
Taxation	(25)	(1,102)	-	-	-	(1,127)
(Loss)/Profit for the period	(32)	7,850	(2,603)	(3,409)	(2,108)	(302)
Non-Controlling interest	(1,045)	(426)	366	69	649	(387)
(Loss)/profit attributable to owners of the Company	(1,077)	7,424	(2,237)	(3,340)	(1,459)	(689)

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

1. Segmental Reporting (Continued)

The Group's segmental reporting for the corresponding six months financial period ended 30 June 2020

	Construction	Property Development	Building Material	Others	Inter- segment Elimination	Total
REVENUE						
Revenue as reported	24,301	110,296	6,878	1,799	-	143,274
Inter-segment sales	5,709	-	-	-	(5,709)	-
Total Revenue	30,010	110,296	6,878	1,799	(5,709)	143,274
RESULTS						
Profit from operations	(625)	49,233	(3,015)	(2,504)	3,080	46,169
Finance costs	(1,429)	(4,219)	(206)	(1,132)	-	(6,986)
(Loss)/profit before taxation	(2,054)	45,014	(3,221)	(3,636)	3,080	39,183
Taxation	(5)	(6,937)	-	-	-	(6,942)
(Loss)/profit for the period	(2,059)	38,077	(3,221)	(3,636)	3,080	32,241
Non-Controlling interest	-	(2,114)	140	-	(343)	(2,317)
(Loss)/profit attributable to owners of the Company	(2,059)	35,963	(3,081)	(3,636)	2,737	29,924

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

2. Group Performance Review

A) The Group's segmental reporting for the financial quarter ended 30 June 2021 compared with Previous Year Corresponding financial quarter ended 30 June 2020.

	Current Year Comparative			Current Year Preceding Year		
	Quarter	Quarter	Var	To Date	Corresponding Quarter	Var
	30.6.21 RM'000	30.6.20 RM'000		%	30.6.21 RM'000	
BY SEGMENT						
REVENUE						
Construction	75,630	18,984	>100%	86,572	30,010	>100%
Property Development	23,636	42,368	-44.2%	56,817	110,296	-48.5%
Building Material	4,424	2,744	61.2%	11,778	6,878	71.2%
Others	1,981	1,042	90.1%	3,252	1,799	80.8%
Inter-segment eliminations	(49,139)	(2,166)	>100%	(57,535)	(5,709)	>100%
Total	56,532	62,972	-10.2%	100,884	143,274	-29.6%
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT						
Construction	411	112	>100%	(32)	(2,059)	-98.4%
Property Development	(2,617)	14,913	>-100%	7,850	38,077	-79.4%
Building Material	(222)	(1,936)	-88.5%	(2,603)	(3,221)	-19.2%
Others	(2,235)	(1,237)	80.7%	(3,409)	(3,636)	-6.2%
Inter-segment eliminations	(1,524)	1,749	>-100%	(2,108)	3,080	>-100%
(LAT)/PAT	(6,187)	13,601	>-100%	(302)	32,241	>-100%
Minority Interest	478	476	0.4%	(387)	(2,317)	-83.3%
(LATMI)/PATMI	(5,709)	14,077	>-100%	(689)	29,924	>-100%

CURRENT QUARTER

The Group revenue for the current quarter decreased by RM6.4 million or -10.2% as compared to previous year corresponding quarter due to the following:

a) Construction

Revenue increased by RM56.6 million or >100% mainly from the revenue recognition of the ECRL project while the rest of the other projects were affected by lockdown restriction due to the Extended Movement Control Ordinance ("EMCO") throughout the quarter.

2. Group Performance Review (Cont'd)

b) Property Development

Property revenue declined with the lower share of progressive billings for JDA entitlement and limited progress billings for the Kota Kinabalu Crown development units caused by the continuous lockdown situation that has slowed down the conversion of bookings into sales.

c) Building Material

Revenue increased by RM1.7 million or 61.2% due to higher demand from the 3 batching plants located in Subang, USJ and Kota Damansara.

Accordingly, the Group recorded an overall loss after tax and minority interest (LATMI) of RM5.7 million as compared to profit after tax and minority interest (PATMI) of RM14.0 million for the same corresponding quarter in the previous year, mainly caused by the EMCO.

YEAR TO DATE

The Group revenue for the financial period ended 30 June 2021 decreased by RM42.4 million or -29.6% compared to previous year corresponding financial period ended 30 June 2020 due to the following:

a) Construction

Revenue increased by RM56.6 million or >100.0 % with overall construction progress for bridge works in Teluk Intan reaching completion stages. The construction of the Technical Vocational College (TVET) in Kulai and the ECRL project progressed well despite the implementation of RMCO directive during the first quarter of the year.

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 slowed down sales.

c) Building Material

Revenue increased by RM4.9 million or 71.2.% due to higher demand from the 3 batching plants located in Subang, USJ and Kota Damansara.

Accordingly, the Group recorded an overall loss after tax and minority interest (LATMI) of RM0.6 million compared to profit after tax and minority interest (PATMI) of RM29 million for the same corresponding financial period ended 30 June 2020, as a result of significantly lower revenue along with fixed operations and fixed and administrative cost being incurred i.e interest costs during the lockdown period.

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				(Loss)/Profit before tax			
	30.06.21	31.03.21	Changes		30.06.21	31.03.21	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	75,630	10,942	64,688	>100%	436	(445)	881	(2.0)
Property Development	23,636	33,181	(9,545)	-28.8%	(2,204)	10,468	(12,672)	(1.2)
Building Material	4,424	7,354	(2,930)	-39.8%	(222)	(2,381)	2,159	(0.9)
Others	1,981	1,271	710	55.9%	(2,235)	(1,173)	(1,062)	0.9
Inter-segment eliminations	(49,139)	(8,396)	(40,743)	485.3%	(1,524)	(584)	(940)	1.6
Total	56,532	44,352	12,180	27.5%	(5,749)	5,885	(11,634)	(2.0)

Revenue for the current quarter was higher compared to the immediate preceding quarter mainly from the JDA entitlement and the balance from construction projects namely ECRL as the rest were affected by restriction of the Extended Movement Control Ordinance (“EMCO”) throughout the quarter. The loss before tax was recorded due to depressed margins and higher fixed operations and administrative costs being incurred, especially interest costs no longer allowed for capitalization, pursuant to IFRIC Agenda Decisions in relation to MFRS 123 Borrowing Cost announced by MASB on 20 March 2019.

Although moratoriums were requested, banks did not revert positively to ease the pressures.

3. (a) Financial Year 2021 Prospects

The Board remains cautious on the implementation of Extended Movement Control Ordinance with the recent rising Covid 19 cases. Going forward, the management shall focus on working capital management, manpower deployment and cost reduction initiatives.

(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

	As At 30.06.2021 RM'000	As at 31.12.2020 RM'000
Borrowings denominated in Ringgit Malaysia:		
Secured		
<u>Non-Current</u>		
Finance lease liabilities	3,915	11,521
Bank borrowings	343,829	321,846
	<u>347,744</u>	<u>333,367</u>
<u>Current</u>		
Finance lease liabilities	14,639	7,971
Bank borrowings	246,935	188,086
Total Borrowings	<u>261,574</u>	<u>196,057</u>
	<u>609,318</u>	<u>529,424</u>

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.

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

8. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

The Group have not applied the following new MFRSs, IC Interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group :-

		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"> • Amendment to MFRS 1 • Amendment to MFRS 9 • Amendment to MFRS 16 • Amendment to MFRS 141 		
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 MFRS 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

8. Significant accounting policies (Continued)

The adoption of the above standards and amendments will not have any material effect on the financial performance or position of the Group, except for the change in accounting policy as a result of the Agenda Decision on IAS 23 Borrowing Costs to financial statements as stated below:

The IFRS Interpretation Committee (“IFRIC”) received a submission about the capitalization of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 Borrowing Costs and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019, that, in the fact pattern described in the request:

- (i) Any receivables and contract asset that the entity recognizes is not a qualifying asset.
- (ii) Any inventory (work in progress) for unsold units under construction that the entity recognizes is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that the entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

Accordingly, to be prudent the Group adopted this change in its accounting policy for the financial year ending 31 December 2021.

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.

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 of the Group.

12. Material changes in estimates

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

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 under review.

15. Significant Subsequent Events

There were no material events subsequent to the end of the current financial quarter under review.

16. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter under review, except for the following:-

On 20 April 2021, the Company acquired 510,002 ordinary shares in Niaga Sari Sdn Bhd (“NSSB”) for a cash consideration of RM12 million. Accordingly, NSSB is now a 51% owned subsidiary of the Company.

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

17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/06/2021 RM '000	Preceding year corresponding quarter 30/06/2020 RM '000	Current year to-date 30/06/2021 RM '000	Preceding year corresponding year to date 30/06/2020 RM '000
Malaysian income tax - current	649	1,473	1,520	7,473
Deferred tax	<u>(211)</u>	<u>852</u>	<u>(393)</u>	<u>(531)</u>
Tax expense	<u>438</u>	<u>2,325</u>	<u>1,127</u>	<u>6,942</u>

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

There were no other material changes in the composition of the Group for the period ended 30 June 2021.

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

20. Changes in contingent liabilities

	Group		Company	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies				
- Limit of guarantee	-	-	833,053	738,067
- Amount utilised	-	-	506,575	348,658
Corporate guarantees given to a supplier of goods to subsidiary companies				
- Limit of guarantee	-	-	31,850	28,850
- Amount utilised	-	-	5,337	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.

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 6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Transaction with Directors of the Company				
-Progress billing received/receivable	-	90	-	90
Transaction with companies in which a substantial shareholder has interest				
-Progress billing received/receivable	-	-	-	-
Transaction with Directors of related companies				
-Progress billing received/receivable	-	248	-	248
Transaction with a major shareholder				
-Progress billing received/receivable	-	178	-	178
Transaction with a Company in which a Director of a related company has interest				
- Progress billing received/ receivable	-	185	-	185
Transaction with subsidiary companies of a corporate shareholder with a significant influence over the Company				
-Progress billing received/receivable	-	-	-	-
-Interest expenses paid/payable	(1,383)	(1,523)	(1,383)	(10,206)
-Drawdown of term loans	10,000	5,942	10,000	5,942
-Repayment of term loans	-	-	-	(4,042)
Transaction with a minority shareholder of a subsidiary company				
-Project management fee paid/payable	(140)	-	(880)	-
Transaction with a company in which a Director of the Company has interest				
-Progress claims paid/payable	-	-	-	(12,883)
- Rental of Retail Spaces	(140)	-	(140)	(909)
- Rental of Office	211	316	211	877

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 30.06.2021	Preceding year corresponding quarter 30.06.2020	Current Year To Date 30.06.2021	Preceding year corresponding period 30.06.2020
Net profit for the period attributable to owners of the parent (RM'000)	(5,709)	14,077	(689)	29,924
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	-
Weighted average number of shares in issue ('000)	494,860	412,383	494,860	412,383
Basic EPS (sen)	(1.15)	3.41	(0.14)	7.26

Diluted Earnings Per Share (Diluted EPS)

Diluted earnings per share for the reporting quarter and financial period ended 30 June 2021 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 30.06.2021	Preceding year corresponding quarter 30.06.2020	Current Year To Date 30.06.2021	Preceding year corresponding period 30.06.2020
Net profit for the period attributable to owners of the parent (RM'000)	(5,709)	14,077	(689)	29,924
Adjustment for convertible preference dividend (RM'000)	-	-	-	-
Adjusted net profit for the period attributable to owners of the parent (RM'000)	(5,709)	14,077	(5,709)	29,924
Weighted average number of ordinary shares ('000)	494,860	412,383	494,860	412,383
Adjustment for Warrants ('000)	-	-	-	-
Adjustment for ESOS ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	494,860	412,383	494,860	412,383
Diluted EPS (sen)	(1.15)	3.41	(0.14)	7.26

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

28. Profit before Tax

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Profit before tax is arrived at after charging:-				
Depreciation of property, plant and equipment ("PPE")	2,497	1,478	3,040	2,956
Depreciation of investment properties ("IP")	788	548	1,336	1,095
Amortisation of intangible asset	875	606	1,640	2,742
Amortisation of Right-of-use assets	1,388	909	2,553	1,817
Rental expenses	271	70	406	174
Finance cost	10,648	3,657	14,793	6,986
And Crediting:-				
Rental income	497	364	1,254	875
Finance income	(254)	1,852	48	2,393

By Order of the Board

Dato' Wong Kit-Leong
 Chief Executive Officer
Kuala Lumpur
 23 August 2021