

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2021

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Restated)*	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Restated)
Revenue	44,191	80,858	194,969	315,925
Cost of Sales	(35,293)	(33,188)	(126,868)	(164,887)
Gross Profit	8,898	47,670	68,101	151,038
Other income	(1,833)	1,347	4,082	11,886
Administrative expenses	(5,808)	(2,979)	(18,150)	(14,906)
Operating expenses	(15,734)	(13,309)	(45,114)	(49,219)
(Loss)/Profit from operating activities	(14,477)	32,729	8,919	98,799
Finance income	128	(2,394)	240	1,351
Finance cost	(8,125)	(1,230)	(31,722)	2,148
Net finance cost	(7,997)	(3,624)	(31,482)	3,499
Share of results of joint ventures	-	-	-	(13)
(Loss)/profit before tax	(22,474)	29,105	(22,563)	102,285
Taxation	(3,361)	(15,129)	(6,008)	(30,600)
(Loss)/profit for the year	(25,835)	13,976	(28,571)	71,685
(Loss)/profit attributable to:				
Owners of the Parent	(21,664)	15,713	(21,874)	73,037
Non-Controlling Interest	(4,171)	(1,737)	(6,697)	(1,352)
(Loss)/profit for the year	(25,835)	13,976	(28,571)	71,685
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(21,706)	17,093	(22,001)	73,263
Non-Controlling Interest	(4,167)	(2,417)	(6,619)	(1,239)
Total comprehensive (loss)/income for the year	(25,873)	14,676	(28,620)	72,024

* Impact on adoption of Agenda Decision (Note 7) has been apportioned equally amongst the quarters for the restated FY2020 results.

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 year ended 31 December 2021

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Restated)	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Restated)
(Loss)/profit for the year	(25,835)	13,976	(28,571)	71,685
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	(38)	700	(49)	339
Other comprehensive (loss)/income for the year, net of tax	(38)	700	(49)	339
Total comprehensive (loss)/income for the year, net of tax	(25,873)	14,676	(28,620)	72,024
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(21,706)	17,093	(22,001)	73,263
Non-Controlling Interest	(4,167)	(2,417)	(6,619)	(1,239)
Total comprehensive (loss)/income for the year	(25,873)	14,676	(28,620)	72,024
(Loss)/earnings per share attributable to owners of the parent (sen):				
Basic	(4.50)	3.81	(4.54)	17.71
Diluted	n/a	n/a	n/a	n/a

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 DECEMBER 2021

	As at 31 Dec 2021 RM'000 (Unaudited)	As at 31 Dec 2020 RM'000 (Restated)	As at 01 Jan 2020 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	211,277	216,450	218,783
Right-of-use assets	30,840	26,083	21,405
Investment properties	117,820	122,023	124,628
Intangible assets	78	79	80
Land rights	83,363	87,264	90,160
Goodwill	15,319	10,978	10,978
Quarrying rights	729	842	956
Inventories and other contract costs	83,260	83,260	13,913
Investment in joint ventures	404	404	417
Quarry development costs	5,108	6,146	7,046
Other Investment	5,633	2,659	-
Deferred tax assets	3,278	2,447	4,880
	<u>557,109</u>	<u>558,635</u>	<u>493,246</u>
Current Assets			
Inventories and other contract costs	359,154	301,044	264,498
Contract assets	70,914	48,881	114,982
Trade receivables	332,058	280,422	203,950
Other receivables	69,689	100,065	107,569
Amount due from a joint venture	99	99	99
Tax recoverable	88	52	16
Fixed deposits with licensed banks	14,836	7,588	31,383
Cash and bank balances	26,600	41,601	54,186
	<u>873,438</u>	<u>779,752</u>	<u>776,683</u>
TOTAL ASSETS	<u>1,430,547</u>	<u>1,338,387</u>	<u>1,269,929</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Ordinary share capital	256,870	225,007	225,007
Employee Share Option Reserve ("ESOS Reserve")	-	-	766
Other reserves	(77,104)	(75,751)	(29,687)
Foreign currency translation reserve	(1,367)	(1,240)	(1,466)
Retained Earnings	255,572	277,446	203,643
	<u>433,971</u>	<u>425,462</u>	<u>398,263</u>
Non-Controlling Interest	11,907	11,132	12,371
Total Equity	<u>445,878</u>	<u>436,594</u>	<u>410,634</u>
Non-Current Liabilities			
Lease Liabilities	11,618	11,521	11,131
Borrowings	340,159	321,846	163,931
Deferred tax liabilities	21,217	22,124	22,127
	<u>372,994</u>	<u>355,491</u>	<u>197,189</u>
Current Liabilities			
Contract liabilities	4,149	29,446	-
Provision for liquidated ascertained damages	3,962	1,001	10,143
Borrowings	305,450	188,086	191,480
Trade payables	70,562	112,108	151,216
Other payables	148,153	143,610	262,291
Lease liabilities	7,925	7,971	5,814
Provision for taxation	71,474	64,080	41,162
	<u>611,675</u>	<u>546,302</u>	<u>662,106</u>
Total Liabilities	<u>984,669</u>	<u>901,793</u>	<u>859,295</u>
TOTAL EQUITY AND LIABILITIES	<u>1,430,547</u>	<u>1,338,387</u>	<u>1,269,929</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.88</u>	<u>1.03</u>	<u>0.97</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 year ended 31 December 2021

	Attributable to Owners of the Parent				Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000		
At 1 January 2021	225,007	(1,240)	-	(75,751)	287,213	448,780
Effect of adoption of the Agenda Decision Balance at 1 January 2021 (restated)	-	-	-	-	(9,767)	(12,186)
	225,007	(1,240)	-	(75,751)	277,446	436,594
(Loss) for the financial year	-	-	-	-	(21,874)	(21,874)
Other comprehensive (loss)/income for the financial year	-	(127)	-	-	(127)	(127)
Total comprehensive loss for the financial year	-	(127)	-	-	(21,874)	(22,001)
Transactions with Owners:						
Issue of ordinary shares - private placement	31,863	-	-	-	31,863	31,863
Acquisition of additional interest from non-controlling interest	-	-	-	(1,353)	(1,353)	(1,353)
	31,863	-	-	(1,353)	30,510	37,904
At 31 December 2021	256,870	(1,367)	-	(77,104)	255,572	445,878

	Attributable to Owners of the Parent				Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Other Reserve RM'000		
At 1 January 2020	225,007	(1,466)	766	(29,687)	237,964	446,205
Effect of adoption of the Agenda Decision Balance at 1 January 2020 (restated)	-	-	-	-	(34,321)	(35,571)
	225,007	(1,466)	766	(29,687)	203,643	410,634
Profit for the financial year	-	-	-	-	73,037	73,037
Other comprehensive income/(loss) for the financial year	-	226	-	-	226	339
Total comprehensive income/(loss) for the financial year	-	226	-	-	73,037	73,263
Transactions with Owners:						
Acquisition of additional interest from non-controlling interest	-	-	-	(46,064)	-	(46,064)
ESOS expired	-	-	(766)	-	766	-
	-	-	(766)	(46,064)	766	(46,064)
At 31 December 2020	225,007	(1,240)	-	(75,751)	277,446	436,594

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 year ended 31 December 2021

	12 months ended 31 Dec 2021 RM'000 (Unaudited)	12 months ended 31 Dec 2020 RM'000 (Restated)
CASHFLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(22,563)	102,285
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	5,506	6,965
Depreciation of investment properties	2,542	2,605
Amortisation of intangible assets	3,901	3,919
Amortisation of Right-of-use assets	6,076	4,984
Gain on lease modification	-	(1)
Share of results of joint ventures	-	13
Impairment of trade receivables	-	2,332
Gain on disposal of property, plant and equipment	-	(1,465)
Fair value gain on other investments	-	(327)
Gain on unrealised foreign exchange	(127)	-
Gain on disposal of other investment	-	(4,637)
Property, Plant and Equipment written off	-	75
Finance cost	31,722	(2,148)
Finance income	(240)	(1,351)
Operating profit before working capital changes	26,817	113,249
Movements in working capital		
Contract assets/ (liabilities)	(47,332)	95,547
Inventories and other contract costs	(58,108)	(72,600)
Receivables	(24,234)	(71,300)
Payables	(25,366)	(166,931)
Cash used in operations	(128,223)	(102,035)
Interest paid	(31,722)	(31,145)
Interest received	-	1,351
Tax paid	(7,148)	(5,288)
Tax refund	32	-
Net cash used in operating activities	(38,838)	(35,082)
	(167,061)	(137,117)
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and investment properties	(10,834)	(3,102)
Proceeds from disposal of property, plant and equipment & investment properties	1,327	1,978
Quarry development cost	(3,188)	-
Investment in subsidiary	(12,000)	(46,064)
Changed in pledged deposits	(7,651)	10,496
Contribution from non-controlling interest	19,469	-
Net cash used in investing activities	(12,877)	(36,692)
CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(12,756)	(104,272)
Drawdown of borrowings	138,246	266,048
Repayment of lease liabilities	(2,309)	(6,926)
Proceeds from private placement	31,863	-
Net cash from financing activities	155,044	154,850
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,894)	(18,959)
Effect of changes in foreign exchange rate	-	330
OPENING BALANCE	27,696	46,325
CLOSING BALANCE	2,802	27,696
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	26,600	41,601
Bank overdraft	(22,298)	(14,417)
Fixed deposits with licensed banks	14,836	7,588
Cash and cash equivalents restricted from use	(16,336)	(7,076)
	2,802	27,696

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

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 Quarterly Report On Consolidated Results
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Notes To The Interim Financial Statements
 (The figures have not been audited)

1. Segmental Reporting

The Group's segmental reporting for the twelve months financial year ended 31 December 2021

	Construction	Property Development	Building Material	Others	Inter-segment Elimination	Total
REVENUE						
Revenue as reported	60,815	107,109	21,767	5,278	-	194,969
Inter-segment sales	106,342	-	-	1,483	(107,825)	-
Total Revenue	167,157	107,109	21,767	6,761	(107,825)	194,969
RESULTS						
(Loss)/Profit from operations	(593)	18,579	(6,138)	(4,119)	1,430	9,159
Finance costs	(11,193)	(16,582)	(206)	(3,741)	-	(31,722)
(Loss)/profit before taxation	(11,786)	1,997	(6,344)	(7,860)	1,430	(22,563)
Taxation	(117)	(5,891)	-	-	-	(6,008)
Loss for the year	(11,903)	(3,894)	(6,344)	(7,860)	1,430	(28,571)
Non-Controlling interest	676	1,975	856	990	2,200	6,697
Loss attributable to owners of the Company	(11,227)	(1,919)	(5,488)	(6,870)	3,630	(21,874)

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

1. Segmental Reporting (Continued)

The Group's segmental reporting for the corresponding twelve months financial year ended 31 December 2020

	Construction	Property Development	Building Material	Others	Inter-segment Elimination	Total
REVENUE						
Revenue as reported	63,991	222,416	26,202	3,316	-	315,925
Inter-segment sales	30,484	-	-	1,183	(31,667)	-
Total Revenue	94,475	222,416	26,202	4,499	(31,667)	315,925
RESULTS						
Profit/(Loss) from operations	726	106,493	(6,371)	(5,113)	4,402	100,137
Finance costs	(6,540)	12,823	(384)	(3,892)	141	2,148
(Loss)/profit before taxation	(5,814)	119,316	(6,755)	(9,005)	4,543	102,285
Taxation	(3,639)	(26,961)	-	-	-	(30,600)
(Loss)/profit for the year	(9,453)	92,355	(6,755)	(9,005)	4,543	71,685
Non-Controlling interest	(200)	3,106	(1,604)	(378)	428	1,352
(Loss)/profit attributable to owners of the Company	(9,653)	95,461	(8,359)	(9,383)	4,971	73,037

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 (The figures have not been audited)

2. Group Performance Review

A) The Group's segmental reporting for the financial quarter ended 31 December 2021 compared with Previous Year Corresponding financial quarter ended 31 December 2020.

	Current Quarter Comparative			Current Year Preceeding Year Corresponding		
	31.12.21 RM'000	31.12.20 RM'000	Changes %	31.12.21 RM'000	31.12.20 RM'000	Changes %
BY SEGMENT						
REVENUE						
Construction	42,053	10,676	>100%	167,157	94,475	76.9%
Property Development	26,050	66,983	-61.1%	107,109	222,416	-51.8%
Building Material	6,526	10,221	-36.2%	21,767	26,202	-16.9%
Others	1,949	1,084	79.8%	6,761	4,499	50.3%
Inter-segment eliminations	(32,387)	(8,106)	>-100%	(107,825)	(31,667)	>-100%
Total	44,191	80,858	-45.3%	194,969	315,925	-38.3%
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT						
Construction	(4,493)	(2,595)	-73.1%	(11,903)	(5,361)	>-100%
Property Development	(13,372)	22,118	>-100%	(3,895)	89,315	>-100%
Building Material	(1,558)	(1,057)	-47.4%	(6,344)	(6,743)	5.9%
Others	(2,257)	(5,972)	62.2%	(7,860)	(10,069)	21.9%
Inter-segment eliminations	(4,155)	1,482	>-100%	1,431	4,543	-68.5%
(Loss)/Profit After Tax	(25,835)	13,976	>-100%	(28,571)	71,685	>-100%
Minority Interest	4,171	1,737	>100%	6,697	1,352	>100%
(Loss)/Profit After Tax Minority Interest	(21,664)	15,713	>-100%	(21,874)	73,037	>-100%

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

2. Group Performance Review (Cont'd)

CURRENT QUARTER

The Group revenue for the current quarter decreased by RM36.7 million or -45.3% as compared to previous year corresponding quarter due to the following:

a) Construction

Revenue increased by RM31.3 million or >100% mainly from the ECRL project with the activities of the rest of the other projects affected by the lockdown restrictions due to the pandemic throughout the quarter.

b) Property Development

Property revenue decreased with the tail end progressive billings for JDA entitlement and limited progress billings for the Kota Kinabalu Crown development units. The continuous lockdown situation slowed down the conversion of bookings into sales for the quarter.

c) Building Material

Revenue decreased by RM3.6 million or -36.2% with lower 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 RM21.6 million or >-100% as compared to the same corresponding quarter in the previous year, mainly due to the pandemic situation across the country.

YEAR TO DATE

The Group revenue for the financial year ended 31 December 2021 decreased by RM120.9 million or -38.3% compared to previous year ended 31 December 2020.

a) Construction

Revenue increased by RM72.6 million or 76.9 % 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 and subsequently EMCO directive till the third quarter.

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

2. Group Performance Review (Cont'd)

b) Property Development

Property revenue declined by RM115.3 million or >-51.8% mainly due to the lower share of progressive billings for both Phase 3 Park 2 and the sales of the Pavilion Bukit Jalil Mall. Limited progress billings for the Kota Kinabalu Crown development units due to the continuous lockdown restrictions has also slowed down conversion of bookings into sales.

c) Building Material

Revenue decreased by RM4.4 million or -16.9% due to the earlier lockdown restrictions with lower 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 RM21.8 million or >-100% compared to the corresponding financial year ended 31 December 2020. The result mainly due to significantly lower revenue recorded with fixed operations and administrative cost being incurred i.e interest costs during the lockdown period.

B) Explanatory comments on any material change in the (loss)/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			
	31.12.21	30.09.21	Changes		31.12.21	30.09.21	Changes	
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Construction	42,053	38,532	3,521	9.1%	(4,493)	(6,210)	1,717	27.6%
Property Development	26,050	24,242	1,808	7.5%	(10,011)	1,979	(11,990)	>-100%
Building Material	6,526	3,463	3,063	88.4%	(1,558)	(2,183)	625	28.6%
Others	1,949	1,560	389	24.9%	(2,257)	(2,194)	(63)	-2.9%
Inter-segment eliminations	(32,387)	(17,903)	(14,484)	-80.9%	(4,155)	7,694	(11,849)	>-100%
Total	44,191	49,894	(5,703)	-11.4%	(22,474)	(914)	(21,560)	>-100%

Revenue for the current quarter was lower compared to the immediate preceding quarter with the exception of the balance contributed by construction projects namely ECRL. The rest of the revenue were affected by the pandemic throughout the quarter and lower revenue from the JDA entitlement. The loss before tax was higher by RM21.5 million based on the lower margin achieved and higher fixed operations and administrative cost being incurred.

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

3. (a) Financial Year 2022 Prospects

The Board remains cautious of the COVID-19 pandemic which continues to raise concern and uncertainty to the Malaysian and the global economy and the timing for full recovery on all economic sectors and consumer confidence remain uncertain. 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 target 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.

5. Dividend paid

No dividends have been declared for the current financial year.

6. Group borrowings and debt securities

	As At 31.12.2021 RM'000	As at 31.12.2020 RM'000
Borrowings denominated in Ringgit Malaysia:		
Secured		
<u>Non-Current</u>		
Lease liabilities	11,618	11,521
Borrowings	340,159	321,846
	<u>351,777</u>	<u>333,367</u>
<u>Current</u>		
Lease liabilities	7,925	7,971
Borrowings	305,450	188,086
	<u>313,375</u>	<u>196,057</u>
Total Borrowings	<u>665,152</u>	<u>529,424</u>

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

7. Basis of preparation

The interim financial report has 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.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year audited 31 December 2020. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2020 save for the adoption of the following:

Amendments to MFRS
9, MFRS 139, MFRS 7,
MFRS 4 and MFRS
16

Interest Rate Benchmark
Reform – Phase 2

IFRIC Agenda Decision on MFRS 123 Borrowing Costs

The adoption of the above MFRSs does not have any material impact on the financial statements of the Group except for IFRIC Agenda Decision on MFRS 123 Borrowing Costs, which is discussed below.

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

IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)

The IFRS Interpretation Committee (“IFRIC”) received a submission on 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 IFRIC 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; and
- (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. The Group had retrospectively applied the Agenda Decision and comparative figure have been restated as a result of transition requirement under Agenda Decision.

The effects of the adoption of the Agenda Decision on the consolidated statement of financial position are summarized as follows:-

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**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)
 (Continued)**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2020

	As at 31 Dec 2020 RM'000 (Audited)	Effects of the Agenda Decision RM'000	As at 31 Dec 2020 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	216,450		216,450
Right-of-use assets	26,083		26,083
Investment properties	122,023		122,023
Intangible assets	79		79
Land rights	87,264		87,264
Goodwill	10,978		10,978
Quarrying rights	842		842
Inventories and other contract costs	83,260		83,260
Investment in joint ventures	404		404
Quarry development costs	6,146		6,146
Other Investment	2,659		2,659
Deferred tax assets	-	2,447	2,447
	<u>556,188</u>	<u>2,447</u>	<u>558,635</u>
Current Assets			
Inventories and other contract costs	315,677	(14,633)	301,044
Contract assets	48,881		48,881
Trade receivables	280,422		280,422
Other receivables	100,065		100,065
Amount due from a joint venture	99		99
Tax recoverable	52		52
Fixed deposits with licensed banks	7,588		7,588
Cash and bank balances	41,601		41,601
	<u>794,385</u>	<u>(14,633)</u>	<u>779,752</u>
TOTAL ASSETS	<u>1,350,573</u>	<u>(12,186)</u>	<u>1,338,387</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Ordinary share capital	225,007		225,007
Other reserves	(75,751)		(75,751)
Foreign currency translation reserve	(1,240)		(1,240)
Retained Earnings	287,213	(9,767)	277,446
	<u>435,229</u>	<u>(9,767)</u>	<u>425,462</u>
Non-Controlling Interest	<u>13,551</u>	<u>(2,419)</u>	<u>11,132</u>
Total Equity	<u>448,780</u>	<u>(12,186)</u>	<u>436,594</u>
Non-Current Liabilities			
Lease liabilities	11,521		11,521
Borrowings	321,846		321,846
Deferred tax liabilities	22,124	-	22,124
	<u>355,491</u>	<u>-</u>	<u>355,491</u>
Current Liabilities			
Contract liabilities	29,446		29,446
Provision for liquidated ascertained damages	1,001		1,001
Borrowings	188,086		188,086
Trade payables	112,108		112,108
Other payables	143,610		143,610
Lease liabilities	7,971		7,971
Provision for taxation	64,080		64,080
	<u>546,302</u>	<u>-</u>	<u>546,302</u>
Total Liabilities	<u>901,793</u>	<u>-</u>	<u>901,793</u>
TOTAL EQUITY AND LIABILITIES	<u>1,350,573</u>	<u>(12,186)</u>	<u>1,338,387</u>

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)
 Quarterly Report On Consolidated Results
 For the financial year ended 31 December 2021

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

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)
 (Continued)**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 1 JANUARY 2020**

	As at <u>01 Jan 2020</u> RM'000 (Audited)	Effects of the <u>Agenda Decision</u> RM'000	As at <u>01 Jan 2020</u> RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	218,783		218,783
Right-of-use assets	21,405		21,405
Investment properties	124,628		124,628
Intangible assets	80		80
Land rights	90,160		90,160
Goodwill	10,978		10,978
Quarrying rights	956		956
Inventories and other contract costs	13,913		13,913
Investment in joint ventures	417		417
Quarry development costs	7,046		7,046
Deferred tax assets	-	4,880	4,880
	488,366	4,880	493,246
Current Assets			
Inventories and other contract costs	304,949	(40,451)	264,498
Contract assets	114,982		114,982
Trade receivables	203,950		203,950
Other receivables	107,569		107,569
Amount due from a joint venture	99		99
Tax recoverable	16		16
Fixed deposits with licensed banks	31,383		31,383
Cash and bank balances	54,186		54,186
	817,134	(40,451)	776,683
TOTAL ASSETS	1,305,500	(35,571)	1,269,929
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Ordinary share capital	225,007		225,007
Employee Share Option Reserve ("ESOS Reserve")	766		766
Other reserves	(29,687)		(29,687)
Foreign currency translation reserve	(1,466)		(1,466)
Retained Earnings	237,964	(34,321)	203,643
	432,584	(34,321)	398,263
Non-Controlling Interest	13,621	(1,250)	12,371
Total Equity	446,205	(35,571)	410,634
Non-Current Liabilities			
Lease liabilities	11,131		11,131
Borrowings	163,931		163,931
Deferred tax liabilities	22,127		22,127
	197,189	-	197,189
Current Liabilities			
Provision for liquidated ascertained damages	10,143		10,143
Borrowings	191,480		191,480
Trade payables	151,216		151,216
Other payables	262,291		262,291
Lease liabilities	5,814		5,814
Provision for taxation	41,162		41,162
	662,106	-	662,106
Total Liabilities	859,295	-	859,295
TOTAL EQUITY AND LIABILITIES	1,305,500	(35,571)	1,269,929

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)
 Quarterly Report On Consolidated Results
 For the financial year ended 31 December 2021

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

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)
 (Continued)**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter AS AT 31 December 2020			Cumulative Quarter AS AT 31 December 2020		
	As Previously Reported	Effect of the adoption of Agenda Decision	As Restated	As Previously Reported	Effect of the adoption of Agenda Decision	As Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	80,858		80,858	315,925		315,925
Cost of Sales	(33,320)	132	(33,188)	(165,417)	530	(164,887)
Gross Profit	47,538	132	47,670	150,508	530	151,038
Other income	1,347		1,347	11,886		11,886
Administrative expenses	(2,979)		(2,979)	(14,906)		(14,906)
Operating expenses	(13,309)		(13,309)	(49,219)		(49,219)
Profit from operating activities	32,597	132	32,729	98,269	530	98,799
Finance income	(2,394)		(2,394)	1,351		1,351
Finance cost	(7,552)	6,322	(1,230)	(23,140)	25,288	2,148
Net finance cost	(9,946)	6,322	(3,624)	(21,789)	25,288	3,499
Share of results joint ventures	-		-	(13)		(13)
Profit before tax	22,651	6,454	29,105	76,467	25,818	102,285
Taxation	(14,521)	(608)	(15,129)	(28,167)	(2,433)	(30,600)
Profit for the year	8,130	5,846	13,976	48,300	23,385	71,685
Profit attributable to:						
Owners of the Parent	9,575	6,138	15,713	48,483	24,554	73,037
Non-Controlling Interest	(1,445)	(292)	(1,737)	(183)	(1,169)	(1,352)
Profit for the year	8,130	5,846	13,976	48,300	23,385	71,685
Total comprehensive income attributable to:						
Owners of the Parent	10,955	6,138	17,093	48,709	24,554	73,263
Non-Controlling Interest	(2,125)	(292)	(2,417)	(70)	(1,169)	(1,239)
Total comprehensive income for the year	8,830	5,846	14,676	48,639	23,385	72,024

Consolidated Statement of Cash Flows

There are no material differences to the consolidated statement of cash flows arising from the adoption of Agenda Decision.

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

8. 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.

9. 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.

10. 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.

11. Material changes in estimates

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

12. Changes in debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of equity and 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.

13. 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.

14. Significant Subsequent Events

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

15. 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)

16. Taxation

	Current year quarter 31/12/2021 RM '000	Preceding year corresponding quarter 31/12/2020 RM '000	Cumulative Quarter Current year to-date 31/12/2021 RM '000	Preceding year corresponding year to date 31/12/2020 RM '000
Malaysian income tax - current	3,086	15,523	6,140	28,170
Deferred tax	275	(394)	(132)	2,430
Tax expense	<u>3,361</u>	<u>15,129</u>	<u>6,008</u>	<u>30,600</u>

The Group's effective tax rate for the current quarter was higher than the statutory tax rate mainly due to higher profit from some subsidiaries of the Group.

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

This is not applicable.

18. Status of current corporate proposals

There is no corporate proposal that has been announced but has not been completed as at the date of this Report.

19. Status of utilization of proceeds

There are no unutilized proceeds from any corporate proposal.

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

20. Changes in contingent liabilities

	Group		Company	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies				
- Limit of guarantee	-	-	833,053	728,067
- Amount utilised	-	-	539,844	318,380
Corporate guarantees given to a supplier of goods to subsidiary companies				
- Limit of guarantee	-	-	19,850	28,850
- Amount utilised	-	-	856	2,336
Guarantees issued by financial institutions in connection with performance bonds, security and tender deposits in favour of third parties for construction projects				
	19,661	9,439	10,258	9,439

Apart from the above, there were no changes in contingent liabilities (other than the material litigations disclosed under Note B24 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.

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

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 23 February 2022, 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 year under review:

	Individual Quarter 3 Months ended		Cumulative Quarter 12 Months Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Transaction with subsidiary companies of a corporate shareholder with a significant influence over the Company				
-Progress billing received/receivable	-	-	-	-
-Interest expenses paid/payable	(3,757)	(2,058)	(8,132)	(5,610)
-Drawdown of term loans	13,690	-	43,690	12,177
-Repayment of term loans	-	-	-	-
Transaction with a minority shareholder of a subsidiary company				
-Project management fee paid/payable	-	(200)	-	(740)
Transaction with a company in which a Director of the Company has interest				
-Progress claims paid/payable	-	(6,864)	-	(12,055)
- Rental of Retail Spaces	(210)	(210)	(490)	(210)
- Rental of Office	386	316	842	948

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 31.12.2021	Preceding year corresponding quarter (Restated) 31.12.2020	Current Year To Date 31.12.2021	Preceding year (Restated) 31.12.2020
Net profit for the period attributable to owners of the parent (RM'000)	(21,664)	15,713	(21,874)	73,037
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)	69,836	-	69,836	-
Weighted average number of shares in issue (‘000)	482,219	412,383	482,219	412,383
Basic EPS (sen)	(4.50)	3.81	(4.54)	17.71

Diluted Earnings Per Share (Diluted EPS)

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorization of these financial statements.

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

28. Profit before Tax

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Profit before tax is arrived at after charging:-				
Depreciation of property, plant and equipment ("PPE")	596	2,300	5,506	6,965
Depreciation of investment properties ("IP")	547	962	2,542	2,605
Amortisation of intangible asset	2,034	1,041	3,901	3,919
Amortisation of Right-of-use assets	2,450	2,251	6,076	4,984
Rental expenses	114	382	895	938
Finance cost	8,125	1,230	31,722	(2,148)
And Crediting:-				
Rental income	748	602	2,630	2,137
Finance income	128	(2,394)	240	1,351

By Order of the Board

Dato' Wong Kit-Leong
 Chief Executive Officer
Kuala Lumpur
 28 February 2022