

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial period ended 30 September 2022

(The figures have not been audited)

	THIRD QUARTER ENDED		NINE MONTHS ENDED	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Revenue	64,466	49,894	151,262	150,778
Cost of Sales	(46,804)	(29,150)	(114,515)	(91,575)
Gross Profit	17,662	20,744	36,747	59,203
Other income	4,961	962	7,072	5,915
Administrative expenses	(4,743)	(4,703)	(14,478)	(12,342)
Operating expenses	(11,484)	(9,177)	(25,957)	(29,380)
Profit from operating activities	6,396	7,826	3,384	23,396
Finance income	137	64	345	112
Finance cost	(9,910)	(8,804)	(28,545)	(23,597)
Net finance cost	(9,773)	(8,740)	(28,200)	(23,485)
Loss before tax	(3,377)	(914)	(24,816)	(89)
Taxation	(3,454)	(1,520)	(3,085)	(2,647)
Loss for the period	(6,831)	(2,434)	(27,901)	(2,736)
(Loss)/profit attributable to:				
Owners of the Parent	(8,582)	479	(28,890)	(210)
Non-Controlling Interest	1,751	(2,913)	989	(2,526)
Loss for the period	(6,831)	(2,434)	(27,901)	(2,736)
(Loss)/earnings per share attributable to owners of the parent (sen):				
Basic	(1.73)	0.10	(5.84)	(0.04)
Diluted	(1.73)	0.10	(5.84)	(0.04)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 30 September 2022

(The figures have not been audited)

	THIRD QUARTER ENDED		NINE MONTHS ENDED	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
Loss for the period	(6,831)	(2,434)	(27,901)	(2,736)
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	(74)	89	(221)	(11)
Other comprehensive (loss)/income for the period, net of tax	(74)	89	(221)	(11)
Total comprehensive loss for the period, net of tax	(6,905)	(2,345)	(28,122)	(2,747)
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(8,581)	601	(28,889)	(295)
Non-Controlling Interest	1,676	(2,946)	767	(2,452)
Total comprehensive loss for the period	(6,905)	(2,345)	(28,122)	(2,747)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	As at 30 Sept 2022 RM'000 (Unaudited)	As at 31 Dec 2021 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	197,466	211,167
Right-of-use assets	28,360	34,544
Investment properties	114,783	117,892
Intangible assets	54	54
Land rights	79,652	83,363
Goodwill	13,650	13,650
Quarrying rights	644	729
Inventories and other contract costs	83,260	83,260
Investment in joint ventures	385	385
Quarry development costs	4,469	5,246
Other Investment	1,215	5,633
Deferred tax assets	1,302	1,480
	<u>525,240</u>	<u>557,403</u>
Current Assets		
Inventories and other contract costs	438,179	366,533
Contract assets	146,224	95,331
Trade receivables	156,764	339,469
Other receivables	111,261	129,929
Amount due from a joint venture	99	99
Tax recoverable	178	158
Fixed deposits with licensed banks	12,646	14,520
Cash and bank balances	27,236	33,465
	<u>892,587</u>	<u>979,504</u>
TOTAL ASSETS	<u>1,417,827</u>	<u>1,536,907</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Ordinary share capital	256,870	256,870
Other reserves	(77,104)	(77,104)
Foreign currency translation reserve	(1,665)	(1,893)
Retained Earnings	227,284	256,171
	<u>405,385</u>	<u>434,044</u>
Non-Controlling Interest	<u>12,668</u>	<u>11,901</u>
Total Equity	<u>418,053</u>	<u>445,945</u>
Non-Current Liabilities		
Lease Liabilities	9,947	11,966
Borrowings	382,855	399,383
Deferred tax liabilities	20,252	21,264
	<u>413,054</u>	<u>432,613</u>
Current Liabilities		
Contract liabilities	1,671	24,556
Provision for liquidated ascertained damages	193	956
Borrowings	254,687	246,391
Trade payables	124,928	137,942
Other payables	139,353	177,069
Lease liabilities	7,235	11,023
Provision for taxation	58,653	60,412
	<u>586,720</u>	<u>658,349</u>
Total Liabilities	<u>999,774</u>	<u>1,090,962</u>
TOTAL EQUITY AND LIABILITIES	<u>1,417,827</u>	<u>1,536,907</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.82</u>	<u>0.88</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 September 2022

(The figures have not been audited)

	-----Attributable to Owners of the Parent-----						
	-----Non-Distributable -----			Distributable			
	Share Capital	Foreign Currency Reserve	Other Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
At 1 January 2022	256,870	(1,893)	(77,104)	256,171	434,044	11,901	445,945
(Loss) for the financial year	-	-	-	(28,887)	(28,887)	989	(27,898)
Other comprehensive (loss)/income for the financial period	-	228	-	-	228	(222)	6
Total comprehensive loss for the financial period	-	228	-	(28,887)	(28,659)	767	(27,892)
Transactions with Owners:							
Issue of ordinary shares - private placement	-	-	-	-	-	-	-
Issuance of shares by a subsidiary to non controlling shareholders	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
At 30 September 2022	256,870	(1,665)	(77,104)	227,284	405,385	12,668	418,053

	-----Attributable to Owners of the Parent-----						
	-----Non-Distributable -----			Distributable			
	Share Capital	Foreign Currency Reserve	Other Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
At 1 January 2021	225,007	(1,240)	(75,751)	287,213	435,229	13,551	448,780
(Loss) for the financial year	-	-	-	(210)	(210)	(2,526)	(2,736)
Other comprehensive income for the financial period	-	(11)	(774)	-	(785)	74	(711)
Total comprehensive income/(loss) for the financial period	-	(11)	(774)	(210)	(995)	(2,452)	(3,447)
Transactions 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 September 2021	256,870	(1,251)	(76,525)	287,003	466,097	18,493	484,590

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2022

(The figures have not been audited)

	Nine month ended 30 Sept 2022 RM'000	Nine month ended 30 Sept 2021 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Loss before tax	(24,816)	(89)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	5,360	4,910
Depreciation of investment properties	1,919	1,995
Amortisation of intangible assets	3,711	3,626
Amortisation of Right-of-use assets	5,909	1,867
Gain/(Loss) on unrealised foreign exchange	228	(11)
Finance cost	28,545	23,427
Finance income	(345)	(112)
Operating profit before working capital changes	20,511	35,613
Movements in working capital		
Contract liabilities	(73,600)	(10,064)
Inventories and other contract costs	(71,646)	(71,963)
Receivables	205,791	(10,900)
Payables	(51,586)	(49,672)
Cash used in operations	29,470	(106,986)
Interest paid	(28,545)	(23,427)
Tax paid	(4,984)	(2,185)
	(33,529)	(25,612)
Net cash used in operating activities	(4,059)	(132,598)
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and investment properties	9,531	(12,373)
Proceeds from disposal of property, plant and equipment & investment properties	276	-
Quarry development cost	863	(3,472)
Investment in subsidiary	-	(12,000)
Changed in pledged deposits	(4,697)	2,519
Contribution from non-controlling interest	2,445	7,468
Net cash used in investing activities	8,418	(17,858)
CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(85,065)	(7,726)
Drawdown of borrowings	65,602	106,812
Repayment of lease liabilities	(7,434)	(556)
Proceeds from private placement	-	31,863
Net cash from financing activities	(26,897)	130,393
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22,538)	(20,063)
OPENING BALANCE	17,831	27,696
CLOSING BALANCE	(4,707)	7,633
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	27,236	27,133
Bank overdraft	(27,972)	(21,293)
Fixed deposits with licensed banks	12,646	19,878
Cash and cash equivalents restricted from use	(16,617)	(18,085)
	(4,707)	7,633

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements

Notes To The Interim Financial Statements

1. Segmental Reporting

The Group's segmental reporting for the nine months financial period ended 30 September 2022 is as follows:

	Construction RM'000	Property Development RM'000	Building Material RM'000	Others RM'000	Inter- segment Elimination RM'000	Total RM'000
REVENUE						
Revenue as reported	41,396	94,477	10,246	5,143	-	151,262
Inter-segment sales	118,598	-	-	683	(119,281)	-
Total Revenue	159,994	94,477	10,246	5,826	(119,281)	151,262
RESULTS						
Profit/(Loss) from operations	8,772	4,217	(3,448)	(2,670)	(3,142)	3,729
Finance costs	(9,734)	(16,299)	(93)	(2,482)	63	(28,545)
Loss before taxation	(962)	(12,081)	(3,541)	(5,152)	(3,079)	(24,816)
Taxation	(986)	(2,099)	-	-	-	(3,085)
Loss for the period	(1,948)	(14,180)	(3,541)	(5,152)	(3,079)	(27,901)
Non-Controlling interest	-	(2,368)	506	184	689	(989)
Loss attributable to owners of the Company	(1,948)	(16,548)	(3,035)	(4,968)	(2,390)	(28,890)

The Group's segmental reporting for the corresponding nine months financial period ended 30 September 2021 is as follows:

	Construction RM'000	Property Development RM'000	Building Material RM'000	Others RM'000	Inter- segment Elimination RM'000	Total RM'000
REVENUE						
Revenue as reported	50,328	81,059	15,241	4,150	-	150,778
Inter-segment sales	74,776	-	-	351	(75,127)	-
Total Revenue	125,104	81,059	15,241	4,501	(75,127)	150,778
RESULTS						
Profit/(Loss) from operations	2,072	23,278	(4,623)	(2,805)	5,586	23,508
Finance costs	(8,290)	(12,346)	(163)	(2,798)	-	(23,597)
(Loss)/Profit before taxation	(6,218)	10,932	(4,786)	(5,603)	5,586	(89)
Taxation	(11)	(2,636)	-	-	-	(2,647)
(Loss)/profit for the period	(6,229)	8,296	(4,786)	(5,603)	5,586	(2,736)
Non-Controlling interest	1,494	(1,022)	525	179	1,350	2,526
(Loss)/Profit attributable to owners of the Company	(4,735)	7,274	(4,261)	(5,424)	6,936	(210)

2. Group Performance Review

2.1 The Group's performance for the financial quarter ended 30 September 2022 compared with the corresponding period last year, by segment, is detailed hereunder.

2.2 Quarter Ended 30 September 2022

The Group revenue for quarter ended 30 September 2022 increased by RM14.6 million or 29.2% as compared to quarter ended 30 September 2021 due to the following:

2.2.1 Revenue - Analysis by Segment

a) Construction

Revenue increased by RM18.3 million or 47.5%, when compared to the previous year corresponding period mainly from ECRL project in the current period. This is due to the increase in work done to catch up with the delay in the earthwork activity.

2. Group Performance Review (Cont'd)

2.2.1 Revenue Analysis by Segment (Cont'd)

b) Property Development

The revenue for the property development division increased by RM18.8 million or 77.6% as compared to the previous year. This was mainly due to higher sales (qualifying for revenue and profit recognition) secured for the current period.

c) Building Material

Revenue decreased by RM0.3 million or -9.5% with lower demand, due mainly to the soft market conditions prevailing.

2.3 Loss attributable to the owner of the company

The Group's overall performance (LATMI: RM-8.6 million in quarter ended 30 September 2022 compared with PATMI: RM0.5 million in quarter ended 30 September 2021) was adversely affected by the lower contribution from JDA entitlement (RM0.3 million in second quarter ended compared with RM20.5 million in the previous corresponding period). The results were further impacted by higher finance cost (RM9.3 million) mainly due to the adoption IFRIC Agenda Decision on MFRS 123.

2.4 Nine Months Ended 30 September 2022

The Group revenue for nine months ended 30 September 2022 increased by RM0.5 million or 0.3% as compared to nine months ended 30 September 2021 due to the following:

2.4.1 Revenue - Analysis by Segment

a) Construction

Revenue increased by RM34.9 million or 27.9%, when compared to the previous year corresponding period mainly from the revenue recognition of the ECRL project in the current period. This is due to higher work done to catch up with the previous delay in the project.

b) Property Development

The revenue for the property development division increased by RM13.4 million or 16.6%. This was mainly due to high take up of the Kulai project as well as a higher progress billings to the purchasers in line with the construction progress during the quarter under review.

2. Group Performance Review (Cont'd)

2.4.1 Revenue Analysis by Segment (Cont'd)

c) Building Material

Revenue decreased by RM5.0 million or -32.8% with lower demand, due mainly to the soft market conditions prevailing.

2.5 Loss attributable to the owner of the company

For the 9 months ended 30 September 2022, the group registered a LATMI of RM28.9 million compared with a LATMI of RM0.2 million in the corresponding period last year. This was mainly due to the lower contribution from JDA entitlement (RM5.4 million in nine months ended compared with RM57.8 million in the previous corresponding period). The results were further impacted by higher finance cost (RM28.5 million) mainly due to the adoption IFRIC Agenda Decision on MFRS 123.

2.6 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	Quarter ended							
	Revenue				(Loss)/Profit before tax			
	30 Sept 2022	30 June 2022	Variance		30 Sept 2022	30 June 2022	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	56,831	61,124	(4,293)	-7.0%	(1,804)	1,990	(3,794)	>-100%
Property Development	43,055	36,281	6,774	18.7%	(115)	(5,806)	5,691	98.0%
Building Material	3,135	2,163	972	44.9%	(973)	(1,067)	94	8.8%
Others	2,206	882	1,324	>100%	(2,247)	(2,188)	(59)	-2.7%
Inter-segment eliminations	(40,761)	(50,916)	10,155	19.9%	1,762	(1,608)	3,370	>100%
Total	64,466	49,534	14,932	30.1%	(3,377)	(8,679)	5,302	61.1%

Revenue for the Quarter ended 30 September 2022 was higher compared to the immediate preceding quarter mainly due to higher sales achieved during the quarter. The main projects which contributed to the revenue were Kota Kinabalu Crown development and Kulai Development (Phase 1A & 1B).

Arising from the above, the loss before tax was lower by RM5.3 million due to higher operating expenses and finance cost.

Notes To The Interim Financial Statements

3. Financial Year 2022 Prospects

Despite prevailing market challenges, the Group registered higher sales revenue for the 3rd quarter and 9 months ended 30 September 2022. The Group's results however continue to be adversely impacted by inflationary pressures and corresponding interest rate hikes.

The Group is cautiously optimistic that, given their strategic locations and competitive pricing, the demand for our various ongoing and new projects will remain sustainable. The Group will continue to ensure prudent cost management, and anticipate a more favourable financial performance as we move forward.

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 period.

6. Group borrowings and debt securities (Secured)

	As At 31 Sept 2022 RM'000	As at 31 Dec 2021 RM'000
Borrowings denominated in Ringgit Malaysia:		
<u>Non-Current</u>		
Lease liabilities	9,947	11,966
Borrowings	382,855	399,383
	<u>392,802</u>	<u>411,349</u>
<u>Current</u>		
Lease liabilities	7,235	11,023
Borrowings	254,687	246,391
	<u>261,922</u>	<u>257,414</u>
 Total Borrowings	 <u>654,724</u>	 <u>668,763</u>

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 2021. 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 2021.

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 2021 except for the adoption of certain new Standard, amendments to Standards and annual improvements to Standards issued by the MASB that became effective and relevant to the Group for the financial year beginning on or after 1 January 2022.

The Group has not early adopted new Standard, amendments to Standards and annual improvements to Standards that have been issued but are not yet effective for the accounting period beginning 1 January 2022.

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 2021.

9. Seasonal or cyclical factors

The Group’s performance during the current period were not materially affected by any seasonal or cyclical factors.

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.

Notes To The Interim Financial Statements

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.

16. Taxation

	Third Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM '000	RM '000	RM '000	RM '000
Malaysian income tax - current	3,533	1,534	3,584	3,054
Deferred tax	(79)	(14)	(499)	(407)
Taxation	<u>3,454</u>	<u>1,520</u>	<u>3,085</u>	<u>2,647</u>

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.

20. Changes in contingent liabilities

	Group		Company	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies				
- Limit of guarantee	-	-	833,053	833,053
- Amount utilised	-	-	531,294	539,844
Corporate guarantees given to a supplier of goods to subsidiary companies				
- Limit of guarantee	-	-	21,950	19,850
- Amount utilised	-	-	3,033	856
Guarantees issued by financial institutions in connection with performance bonds, security and tender deposits in favour of third parties for construction projects	27,047	19,661	22,669	10,258

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.

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.

The suit had proceeded partially on 4 April 2022 to 8 April 2022 with the calling of plaintiff’s witnesses and subsequent closing of plaintiff’s case. On 10 September 2022, the last date fixed by the Court on this matter, it did not proceed as scheduled.

Thus, it is now fixed for continued hearing on 10 July 2023 to 13 July 2023 and 17 July 2023.

Except as disclosed above, there were no other material changes in material litigations since the last annual financial year and made up to 31 May 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.

26. Profit/(Loss) per share

Basic Loss Per Share (Basic LPS)

Basic loss 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.

	Third Quarter Ended		Nine Months Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Net profit/(loss) NBN VCB VNV for the period attributable to owners of the parent (RM'000)	(8,582)	479	(28,890)	(210)
Weighted average number of ordinary shares ('000)	494,860	494,860	494,860	494,860
Basic LPS (sen)	(1.73)	0.10	(5.84)	(0.04)

Diluted Loss Per Share (Diluted LPS)

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 period and before the authorization of these financial statements.

27. Profit / (Loss) before Tax

	Third Quarter Ended		Nine Months Ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Profit/(loss) before tax is arrived at after charging:-				
Depreciation of property, plant and equipment (“PPE”)	1,587	1,871	5,360	4,910
Depreciation of investment properties (“IP”)	690	659	1,919	1,995
Amortisation of intangible asset	2,682	227	3,711	1,867
Amortisation of Right-of-use assets	2,613	1,073	6,509	3,626
Rental expenses	172	375	652	781
Finance cost	9,910	8,804	28,545	23,597
And Crediting:-				
Rental income	671	628	2,725	1,882
Finance income	137	64	345	112

By Order of the Board

Dato’ Wong Kit-Leong
 Chief Executive Officer
Kuala Lumpur
 29 November 2022