

HO HUP CONSTRUCTION COMPANY BERHAD 197301000497 (14034-W)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2022

(The figures have not been audited)

	FOURTH QUARTER ENDED		TWELVE MONTHS ENDED	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	60,041	44,191	211,303	199,126
Cost of Sales	(47,017)	(35,293)	(161,533)	(119,188)
Gross Profit	13,024	8,898	49,770	79,938
Other income	17,851	(1,833)	24,923	5,619
Administrative expenses	(4,863)	(5,808)	(19,341)	(18,469)
Operating expenses	(10,255)	(15,734)	(36,211)	(51,853)
Profit / (Loss) from operating activities	15,757	(14,477)	19,141	15,235
Finance income	166	128	511	-
Finance cost	(12,029)	(8,125)	(40,573)	(38,758)
Net finance cost	(11,863)	(7,997)	(40,062)	(38,758)
Share of results of joint ventures	-	-	-	(19)
Profit / (Loss) before tax	3,894	(22,474)	(20,921)	(23,542)
Taxation	(9,397)	(3,361)	(12,483)	(3,981)
Loss for the year	(5,503)	(25,835)	(33,404)	(27,523)
(Loss)/profit attributable to:				
Owners of the Parent	(5,808)	(21,664)	(34,698)	(20,666)
Non-Controlling Interest	305	(4,171)	1,294	(6,857)
Loss for the year	(5,503)	(25,835)	(33,404)	(27,523)
(Loss)/earnings per share attributable to owners of the parent (sen):				
Basic	(1.17)	(4.50)	(7.01)	(4.30)
Diluted	(1.17)	N/A	(7.01)	N/A

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 year ended 31 December 2022

(The figures have not been audited)

	FOURTH QUARTER ENDED		TWELVE MONTHS ENDED	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Loss for the year	(5,503)	(25,835)	(33,404)	(27,523)
Other comprehensive (loss)/income, net of tax				
Foreign currency translation differences for foreign operations	(74)	(38)	(222)	(948)
Other comprehensive (loss)/income for the period, net of tax	(74)	(38)	(222)	(948)
Total comprehensive loss for the year, net of tax	(5,577)	(25,873)	(33,626)	(28,471)
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(5,346)	(21,706)	(34,624)	(21,319)
Non-Controlling Interest	(231)	(4,167)	998	(7,152)
Total comprehensive loss for the year	(5,577)	(25,873)	(33,626)	(28,471)

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 31 DECEMBER 2022

	As at 31 Dec 2022 RM'000 (Unaudited)	As at 31 Dec 2021 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	203,924	211,167
Right-of-use assets	25,057	34,544
Investment properties	126,426	117,892
Intangible assets	54	54
Land rights	78,246	83,363
Goodwill	14,227	13,650
Quarrying rights	616	729
Inventories	83,260	83,260
Investment in joint ventures	385	385
Quarry development costs	4,211	5,246
Other Investment	1,428	5,633
Deferred tax assets	21	1,480
	<u>537,856</u>	<u>557,403</u>
Current Assets		
Inventories and other contract costs	465,636	366,533
Contract assets	136,292	95,331
Trade receivables	199,006	339,469
Other receivables	101,706	129,929
Amount due from a joint venture	99	99
Tax recoverable	178	158
Fixed deposits with licensed banks	12,109	14,520
Cash and bank balances	18,723	33,465
	<u>933,748</u>	<u>979,504</u>
TOTAL ASSETS	<u>1,471,603</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	(1,591)	(1,893)
Retained Earnings	221,373	256,171
	<u>399,548</u>	<u>434,044</u>
Non-Controlling Interest	12,899	11,901
Total Equity	<u>412,447</u>	<u>445,945</u>
Non-Current Liabilities		
Lease Liabilities	10,052	11,966
Borrowings	388,627	399,383
Deferred tax liabilities	17,440	21,264
	<u>416,119</u>	<u>432,613</u>
Current Liabilities		
Contract liabilities	2,197	24,556
Provision for liquidated ascertained damages	1	956
Borrowings	252,482	246,391
Trade payables	88,760	137,942
Other payables	219,075	177,069
Lease liabilities	5,395	11,023
Provision for taxation	75,126	60,412
	<u>643,037</u>	<u>658,349</u>
Total Liabilities	<u>1,059,157</u>	<u>1,090,962</u>
TOTAL EQUITY AND LIABILITIES	<u>1,471,603</u>	<u>1,536,907</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>0.81 -</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.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

(The figures have not been audited)

	-----Attributable to Owners of the Parent-----						Total Equity RM'000
	-----Non-Distributable -----			Distributable			
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	
At 1 January 2022	256,870	(1,893)	(77,104)	256,171	434,044	11,901	445,945
(Loss) for the financial year	-	-	-	(33,404)	(33,404)	-	(33,404)
Other comprehensive (loss)/income for the financial period	-	302	-	(1,394)	(1,092)	998	(94)
Total comprehensive loss for the financial period	-	302	-	(34,798)	(34,496)	998	(33,498)
Transactions with Owners:							
Issue of ordinary shares - private placement	-	-	-	-	-	-	-
Issuance of shares by a subsidiary to non controlling shareholders	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
At 31 December 2022	256,870	(1,591)	(77,104)	221,373	399,548	12,899	412,447

	-----Attributable to Owners of the Parent-----						Total Equity RM'000
	-----Non-Distributable -----			Distributable			
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	
(Audited)							
At 1 January 2021	225,007	(1,240)	(75,751)	277,446	425,462	11,133	436,595
(Loss) for the financial year	-	-	-	(20,666)	(20,666)	(6,857)	(27,523)
Other comprehensive income for the financial period	-	(653)	-	-	(653)	(295)	(948)
Total comprehensive income/(loss) for the financial period	-	(653)	-	(20,666)	(21,319)	(7,152)	(28,471)
Transactions with Owners:							
Issue of ordinary shares - private placement	31,863	-	-	-	31,863	-	31,863
Acquisition of subsidiary company	-	-	-	-	-	7,311	7,311
Issuance of shares by a subsidiary to non controlling	-	-	(1,353)	(609)	(1,962)	609	(1,353)
Acquisition of additional interest from non-controlling interest	31,863	-	(1,353)	(609)	29,901	7,920	37,821
At 31 December 2021	256,870	(1,893)	(77,104)	256,171	434,044	11,901	445,945

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

(The figures have not been audited)

	Twelve month ended 31 Dec 2022 RM'000	Twelve month ended 31 Dec 2021 RM'000 (Audited)
CASHFLOW FROM OPERATING ACTIVITIES		
Loss before tax	(20,921)	(23,542)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	7,877	7,201
Depreciation of investment properties	2,026	2,607
Amortisation of intangible assets	5,231	4,921
Amortisation of Right-of-use assets	6,961	7,077
Gain on lease modification	-	37
Share of results of joint ventures	-	19
Impairment of trade receivables	-	5,317
Gain on disposal of property, plant and equipment	-	(491)
Gain on FV adjustment of investment properties	(13,000)	-
Fair value gain on other investments	-	223
Gain/(Loss) on unrealised foreign exchange	302	-
Finance cost	40,574	38,758
Finance income	(511)	(392)
Operating profit before working capital changes	28,539	41,735
Movements in working capital		
Contract liabilities	(22,360)	(53,419)
Inventories and other contract costs	(138,605)	(59,671)
Change in Provision	(4,779)	(45)
Receivables	172,891	(62,302)
Payables	(6,255)	50,741
Cash used in operations	29,431	(82,961)
Interest paid	(40,574)	(44,575)
Interest received	-	392
Tax paid	(4,984)	(7,711)
	(45,558)	(51,894)
Net cash used in operating activities	(16,127)	(134,855)
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and investment properties	1,693	(6,541)
Proceeds from disposal of property, plant and equipment & investment properties	2,525	3,607
Quarry development cost	572	-
Acquisition of additional interest in a subsidiary (net)	-	(8,107)
Changed in pledged deposits	12,658	(780)
Contribution from non-controlling interest	2,676	(1,353)
Net cash used in investing activities	20,124	(13,174)
CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(85,065)	(16,862)
Drawdown of borrowings	65,602	136,164
Repayment of lease liabilities	(7,434)	(12,080)
Proceeds from private placement	-	31,863
Net cash from financing activities	(26,897)	139,085
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22,900)	(8,944)
Effect of changes in foreign exchange rate	-	(921)
OPENING BALANCE	17,830	27,696
CLOSING BALANCE	(5,070)	17,831
Closing balance of cash and cash equivalents comprises:-		
Cash and bank balances	18,723	33,465
Bank overdraft	(27,476)	(22,298)
Fixed deposits with licensed banks	12,109	14,520
Cash and cash equivalents restricted from use	(8,426)	(7,856)
	(5,070)	17,831

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

1. Segmental Reporting

The Group's segmental reporting for the twelve months financial period ended 31 December 2022 is as follows:

	Construction	Property	Building	Others	Inter-segment	Total
	RM'000	Development	Material	RM'000	Elimination	RM'000
		RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
Revenue as reported	50,060	139,684	14,126	7,433		211,303
Inter-segment sales	152,519	-	-	683	(153,202)	-
Total Revenue	202,579	139,684	14,126	8,116	(153,202)	211,303
RESULTS						
Profit/(Loss) from operations	14,436	4,728	(5,420)	10,863	(5,466)	19,141
Finance Income	503	8				511
Finance costs	(14,899)	(22,161)	(121)	(3,457)	65	(40,573)
Profit / (Loss) before taxation	40	(17,425)	(5,541)	7,406	(5,401)	(20,921)
Taxation	(184)	(12,273)	-	(26)		(12,483)
Profit / (Loss) for the period	(144)	(29,698)	(5,541)	7,380	(5,401)	(33,404)
Non-Controlling interest	-	(3,199)	704	208	993	(1,294)
Loss attributable to owners of the Company	(144)	(32,897)	(4,837)	7,588	(4,408)	(34,698)

The Group's segmental reporting for the corresponding twelve months financial period ended 31 December 2021 is as follows:

	Construction	Property	Building	Others	Inter-segment	Total
	RM'000	Development	Material	RM'000	Elimination	RM'000
		RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
Revenue as reported	64,601	107,397	21,675	5,453	-	199,126
Inter-segment sales	107,455	-	-	1,519	(108,974)	-
Total Revenue	172,056	107,397	21,675	6,972	(108,974)	199,126
RESULTS						
Profit/(Loss) from operations	1,224	25,983	(6,378)	(4,049)	(1,545)	15,235
Finance costs	(11,220)	(23,731)	(222)	(3,712)	127	(38,758)
Profit / (Loss) before taxation	(9,996)	2,252	(6,600)	(7,761)	(1,418)	(23,523)
Share of result of Joint Ventures	-	-	-	(19)	-	(19)
Taxation	(658)	(3,323)	-	-		(3,981)
Profit / (Loss) for the period	(10,654)	(1,071)	(6,600)	(7,780)	(1,418)	(27,523)
Non-Controlling interest	555	1,989	1,527	262	2,524	6,857
Profit / (Loss) attributable to owners of the Company	(10,099)	918	(5,073)	(7,518)	1,106	(20,666)

2. Group Performance Review

2.1 The Group's performance for the financial quarter ended 31 December 2022 compared with the corresponding period last year, by segment, is detailed hereunder.

	Quarter Ended				Year Ended			
	31 Dec2022	31 Dec 2021	Variance		31 Dec2022	31 Dec 2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE								
Construction	42,585	42,053	532	1.3%	202,579	172,056	30,523	17.7%
Property Development	45,207	26,050	19,157	73.5%	139,684	107,397	32,287	30.1%
Building Material	3,880	6,526	(2,646)	-40.5%	14,126	21,675	(7,549)	-34.8%
Others	2,290	2,260	30	1.3%	8,116	6,972	1,144	16.4%
Inter-segment eliminations	(33,921)	(32,698)	(1,223)	-3.7%	(153,202)	(108,974)	(44,228)	-40.6%
Total	60,041	44,191	15,850	35.9%	211,303	199,126	12,177	6.1%
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT								
Construction	420	(6,512)	6,932	>100%	(144)	(10,118)	9,974	>100%
Property Development	(14,990)	(9,178)	(5,812)	>-100%	(32,896)	918	(33,814)	>-100%
Building Material	(1,802)	(1,227)	(575)	>-100%	(4,837)	(5,073)	236	4.7%
Others	12,583	(1,446)	14,029	970.2%	7,588	(7,499)	15,087	201.2%
Inter-segment eliminations	(2,019)	(3,301)	1,282	38.8%	(4,409)	1,106	(5,515)	>-100%
Profit / (Loss) After Tax	(5,808)	(21,664)	15,856	73.2%	(34,698)	(20,666)	(14,032)	>-100%
Minority Interest	305	(4,171)	4,476	>-100%	1,294	(6,857)	8,151	>-100%
(Loss)/Profit After Tax Minority Interest	(5,503)	(25,835)	20,332	78.7%	(33,404)	(27,523)	(5,881)	>-100%

2.2 Quarter Ended 31 December 2022

The Group revenue for quarter ended 31 December 2022 increased by RM15.9 million or 35.9% as compared to quarter ended 31 December 2021 due to the following:

2.2.1 Revenue - Analysis by Segment

a) Construction

Slight increase in revenue by RM0.5 million or 1.3%, when compared to the previous corresponding period.

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 RM19.2 million or 73.5% as compared to the previous corresponding period. This was mainly contributed by increase in sales from ICA – Phase 1A and 1B project (qualifying for revenue and profit recognition) secured for the current period.

c) Building Material

Revenue decreased by RM2.6 million or 40.5% as compared to previous corresponding period mainly due to lower market demand, resulting from the prevailing soft market conditions.

2.3 Loss attributable to the owner of the company

The Group's overall performance (LATMI: RM5.8 million in quarter ended 31 December 2022 compared with LATMI: RM21.7 million in quarter ended 31 December 2021) has improved as the operating profit increases that are mainly contributed by higher other income and reduce in operating expenses.

2.4 Twelve Months Ended 31 December 2022

The Group revenue for twelve months ended 31 December 2022 increased by RM12.2 million or 6.1% as compared to twelve months ended 31 December 2021 due to the following:

2.4.1 Revenue - Analysis by Segment

a) Construction

Revenue increased by RM30.5 million or 17.7%, when compared to the previous year corresponding year, mainly from the revenue recognition of the ECRL project in the current year where the progress of the project is nearly completed.

b) Property Development

The revenue for the property development division increased by RM32.2 million or 30.1%. This was mainly due to strong take-up of the Laman Iskandaria and KK project recognized during the year.

c) Building Material

Revenue declined by RM7.5 million or -34.8% mostly caused by lower market demand, resulting from the prevailing soft market conditions.

2. Group Performance Review (Cont'd)

2.5 Loss attributable to the owner of the company

For the 12 months ended 31 December 2022, the group registered a LATMI of RM34.7 million, compared with a LATMI of RM20.67 million in the corresponding period last year. This was largely due to increase in revenue for property development segment contributed by the sales of Laman Iskandaria and KK project, gain from fair value of investment properties and other income from the disposal of property under the property development segment, offset by higher finance cost incurred during the year due to increase in development activities.

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				Profit / (Loss) before tax			
	31 Dec 2022	30 Sep 2022	Variance		31 Dec 2022	30 Sep 2022	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Construction	42,585	56,831	(14,246)	-25.1%	1,003	(1,804)	2,807	>-100%
Property Development	45,207	43,055	2,152	5.0%	(5,344)	(115)	(5,229)	>-100%
Building Material	3,880	3,135	745	23.8%	(2,000)	(973)	(1,027)	-105.5%
Others	2,290	2,206	84	>100%	12,558	(2,247)	14,805	658.9%
Inter-segment eliminations	(33,921)	(40,761)	6,840	16.8%	(2,323)	1,762	(4,085)	>100%
Total	60,041	64,466	(4,425)	-6.9%	3,894	(3,377)	7,271	215.3%

Revenue for the Quarter ended 31 December 2022 was lower compared to the preceding quarter mostly contributed by reduction in revenue for Construction division due to almost completion of the project construction.

Arising from the above, the loss / profit before tax for the quarter ended was higher by RM7.2 million mainly contributed by increase in other income from the disposal of properties and reduction in operating expenses.

3. Financial Year 2023 Prospects

In 2022, despite a slight increase in revenue generated, the Group registered a higher loss when compared to the previous year. This was mainly due to cost and inflationary pressures, particularly high borrowing costs to finance our operations. Notwithstanding this, the Group's performance, as indicated by the second half of 2022 showed an encouraging trend in sales. We are confident that our results for 2023 will be better, given this current sales trend coupled with our planned upcoming launch of Bukit Jalil mixed development project.

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 (Secured)

Borrowings denominated in Ringgit Malaysia:	As At 31 Dec 2022 RM'000	As at 31 Dec 2021 RM'000
<u>Non-Current</u>		
Lease liabilities	10,052	11,966
Borrowings	388,627	399,383
	<u>398,679</u>	<u>411,349</u>
<u>Current</u>		
Lease liabilities	5,395	11,023
Borrowings	252,482	246,391
	<u>257,877</u>	<u>257,414</u>
 Total Borrowings	 <u>656,556</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.

During the financial period, the Group has changed the measurement after recognition for investment properties from cost model to fair value model as this result in the financial statements providing more reliable and relevant information about the market conditions at the reporting date. A fair value gain of RM13million has been recognised at the reporting date.

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 year 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 year 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 year under review.

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

	Fourth Quarter Ended		Twelve Months Ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM '000	RM '000	RM '000	RM '000
Malaysian income tax - current	2,999	3,086	3,051	4,841
(Under) / over provision in prior year	8,265	-	11,797	927
Deferred tax	1,867	275	2,365	67
Taxation	<u>9,397</u>	<u>3,361</u>	<u>12,483</u>	<u>3,981</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	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 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	-	-	538,790	539,844
Corporate guarantees given to a supplier of goods to subsidiary companies				
- Limit of guarantee	-	-	21,950	19,850
- Amount utilised	-	-	4,244	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.

	Fourth Quarter Ended		Twelve Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net profit/(loss) for the period attributable to owners of the parent (RM'000)	(5,808)	(21,664)	(34,698)	(20,666)
Weighted average number of ordinary shares ('000)	494,860	482,219	494,860	482,219
Basic LPS (sen)	(1.17)	(4.50)	(7.01)	(4.30)

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

	Fourth Quarter Ended		Twelve Months Ended	
	31.12.2022 RM'000 (Unaudited)	31.12.2021 RM'000 (Unaudited)	31.12.2022 RM'000 (Unaudited)	31.12.2021 RM'000 (Audited)
Profit/(loss) before tax is arrived at after charging: -				
Depreciation of property, plant and equipment ("PPE")	2,602	596	7,877	7,201
Depreciation of investment properties ("IP")	-	547	2,026	2,607
Amortisation of intangible asset	1,435	2,034	5,231	7,335
Amortisation of Right-of-use assets	1,052	2,450	6,961	7,077
Rental expenses	813	114	2,497	1,323
Finance cost	12,029	8,125	40,573	38,758
And Crediting: -				
Rental income	3,952	748	6,181	5,236
Finance income	166	128	511	-

By Order of the Board

Dato' Wong Kit-Leong
 Executive Director
Kuala Lumpur
 28 February 2023