

HCK CAPITAL GROUP BERHAD
(formerly known as GOLSTA SYNERGY BERHAD)
(Company no: 484964-H)
(Incorporated in Malaysia)

Interim Financial Report
31 December 2014

HCK CAPITAL GROUP BERHAD
(formerly known as GOLSTA SYNERGY BERHAD)
(Company no: 484964-H)

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Fourth Quarter Ended 31 December 2014

	<u>3 Months Ended</u>		<u>12 Months Ended</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
		(Restated)		(Restated)
Revenue	29,782	24,567	68,896	52,445
Cost of sales	(12,620)	(12,223)	(37,718)	(33,127)
Gross Profit	17,162	12,344	31,178	19,318
Other operating income	505	1,259	732	1,449
Administrative and general expenses	(7,666)	(6,446)	(18,257)	(16,635)
Sales and marketing expenses	101	(295)	(1,704)	(708)
Forex gain (realised)	929	440	535	564
Forex (loss) / gain (unrealised)	(678)	(224)	188	(348)
Profit from operations	10,353	7,078	12,672	3,640
Interest income	34	121	97	151
Interest expense	(56)	(124)	(434)	(124)
Profit before tax	10,331	7,075	12,335	3,667
Tax expense	(2,189)	477	(2,744)	309
Profit after tax	8,142	7,552	9,591	3,976
Profit for the period	8,142	7,552	9,591	3,976
Attributable to:				
Owners of the parent	7,919	7,891	9,456	4,226
Non-controlling interests	223	(339)	135	(250)
	8,142	7,552	9,591	3,976
Earnings per share attributable to equity holders of the parent:				
- basic (sen)	16.95	17.81	20.23	9.54
- diluted (sen)	N/A	N/A	N/A	N/A

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Fourth Quarter Ended 31 December 2014

	<u>3 Months Ended</u>		<u>12 Months Ended</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Profit for the period	8,142	7,552	9,591	3,976
Currency translation differences arising from consolidation	-	-	-	-
Total comprehensive income	8,142	7,552	9,591	3,976
Total comprehensive income/(loss) attributable to:				
Owners of the parent	7,919	7,891	9,456	4,226
Non-controlling interests	223	(339)	135	(250)
	8,142	7,552	9,591	3,976

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD
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Unaudited Condensed Consolidated Statements of Financial Position
For the Fourth Quarter Ended 31 December 2014

	AS AT 31/12/2014 RM' 000 Unaudited	AS AT 31/12/2013 RM' 000 Restated	AS AT 01/01/2013 RM' 000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	21,104	20,112	20,400
Investment property	27,930	27,930	6,127
Intangible assets	700	-	-
Deferred tax assets	-	101	-
Total non-current assets	49,734	48,143	26,527
Current assets			
Inventories	15,380	22,644	9,031
Trade receivables	37,935	16,152	13,129
Other receivables, deposits and prepayments	3,395	2,005	8,107
Tax recoverable	366	812	342
Short term investment	-	1,451	-
Cash and bank balances	41,864	16,780	17,012
Total current assets	98,940	59,844	47,621
TOTAL ASSETS	148,674	107,987	74,148
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	55,440	46,200	42,000
Share premium	25,591	12,897	11,175
Other Reserve	2,609	2,609	2,609
Retained earnings / (Accumulated losses)	7,419	(179)	(4,405)
	91,059	61,527	51,379
Non-controlling interests	1,823	1,679	-
Total equity	92,882	63,206	51,379
Non-current liabilities			
Deferred tax liabilities	1,590	1,919	3,010
Long term borrowings	1,761	1,548	825
Total non-current liabilities	3,351	3,467	3,835
Current liabilities			
Trade payables	11,644	28,606	2,510
Other payables and accruals	27,640	8,027	10,084
Short term borrowings	12,445	3,276	6,144
Taxation	712	1,405	196
Total current liabilities	52,441	41,314	18,934
Total liabilities	55,792	44,781	22,769
TOTAL EQUITY AND LIABILITIES	148,674	107,987	74,148
Net assets per share attributable to equity holders of the Company (RM)	1.64	1.33	1.22

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD
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Unaudited Condensed Consolidation Statements of Changes in Equity
For the Fourth Quarter Ended 31 December 2014

RM'000	Attributable to owners of parent				Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserves RM'000	Retained earnings /(Accumulated losses) RM'000			
As at 1 Jan 2013	42,000	11,175	2,609	(4,405)	51,379	-	51,379
The comprehensive income/(loss) for the period	-	-	-	4,226	4,226	(250)	3,976
Acquisition of subsidiary	-	-	-	-	-	1,929	1,929
Issuance of ordinary shares	4,200	1,722	-	-	5,922	-	5,922
As at 31 December 2013	46,200	12,897	2,609	(179)	61,527	1,679	63,206
As at 1 Jan 2014							
- as previously stated	46,200	12,897	2,609	1,076	62,782	2,705	65,487
- MRFS 118	-	-	-	(1,255)	(1,255)	(1,026)	(2,281)
- as restated	46,200	12,897	2,609	(179)	61,527	1,679	63,206
The comprehensive income for the period	-	-	-	9,456	9,456	135	9,591
Issuance of shares via Private Placement	9,240	12,936	-	-	22,176	-	22,176
Corporate exercise expense	-	(242)	-	-	(242)	-	(242)
Effect arising from changes in composition of the Group	-	-	-	(1,858)	(1,858)	(470)	(2,328)
Shares issue to non-controlling interests	-	-	-	-	-	479	479
As at 31 December 2014	55,440	25,591	2,609	7,419	91,059	1,823	92,882

The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD
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Unaudited Condensed Consolidated Statement of Cash Flow
For the Fourth Quarter Ended 31 December 2014

	12 Months Ended	
	31/12/2014	31/12/2013
	RM' 000	RM' 000
Profit before tax	12,335	3,667
<u>Adjustments for :</u>		
Amortisation of intangible assets	26	-
Bad debts written off	7	195
Depreciation of property, plant and equipment	820	718
Dilution of interest in a subsidiary	89	-
Fair value adjustment on investment property	-	(467)
Impairment of goodwill on consolidation	19	-
Impairment loss on trade and other receivables	783	7,480
Reversal of impairment loss on trade and other receivables	-	(1,180)
Unrealised loss on foreign exchange	(188)	(216)
Waiver of debts	(396)	-
Interest expenses	434	124
Interest Income	-	(151)
Total adjustment	1,594	6,503
Operating cash flow before changes in working capital	13,929	10,170
<u>Changes in working capital</u>		
Changes in inventories	7,264	(13,613)
Changes in receivables, deposits and prepayment	(23,441)	(3,215)
Changes in payables	2,502	16,564
Total changes in working capital	(13,675)	(264)
Cash flow from operations	254	9,906
Interest paid	(433)	(124)
Tax paid	(3,725)	(805)
Tax refund	533	661
Net cash flows from operating activities	(3,371)	9,638
<u>Investing activities</u>		
Additional investment in a subsidiary	(2,328)	-
Interest received	-	151
Issuance of ordinary shares to Non-controlling interest	390	-
Net inflow on acquisition of subsidiary	73	-
Purchase of intangible asset	(726)	-
Purchases of property, plant and equipment	(1,812)	(430)
Upliftment / (Placement) of short term investment	1,451	(1,451)
Issuance of ordinary shares	-	5,922
Purchases of investment properties	-	(12,042)
Net cash flows used in investing activities	(2,952)	(7,850)
<u>Financing activities</u>		
Issuance of shares via private placement	22,176	-
Corporate exercise expenses paid	(242)	-
Drawdown of finance leases	738	-
Repayment of finance leases	(286)	(193)
(Repayment) / Drawdown of term loan	(74)	1,000
Increase in short term borrowings	9,003	548
Net cash flows used in financing activities	31,315	1,355
Net increase in cash and cash equivalents	24,992	3,143
Effect of exchange rate changes	92	125
Cash and cash equivalents at beginning of year	16,780	13,512
	41,864	16,780
<u>Composition of cash and cash equivalents:</u>		
Cash and bank balances	41,864	16,780
Cash and cash equivalents at end of period	41,864	16,780

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the reporting requirement as set out in Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached herein for a better understanding of changes in financial position and performance of the Group.

The significant accounting policies adopted in the preparation the unaudited interim financial report are consistent with those followed in the preparation of the Group's audited financial statements for the year ended 31 December 2013 except for the adoption of all MFRSs which are in effective and the following new MFRSs and Interpretations and amendments to certain MFRSs and Interpretations with effect from 1 January 2014.

Amendments to MFRS 10, MRFS 12 and MFRS 127 Investment Entities
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136 Recoverable Amount Disclosures for Non Financial Assets
Amendments to MFRS 139 Novation of derivatives and continuation of Hedge Accounting
IC Interpretation 21 Levies

The adoption of the all and above MFRSs and amendments to MFRSs did not have any significant impact on the financial statements of the Group.

As at the date of authorisation of the unaudited interim financial report, the following Standards were issued but not yet effective and have not been adopted by the Group:

MRFSS, Amendments to MFRSS and IC Interpretations	Effective for financial periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	01 July 2014
Annual Improvements to MFRSS 2010–2012 Cycle	01 July 2014
Annual Improvements to MFRSS 2011–2013 Cycle	01 July 2014
Annual Improvements to MFRSS 2012–2014 Cycle	01 January 2016
Amendments to MFRS 11: Accounting for Acquisition Interest in Joint Operations	01 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	01 January 2016
MFRS 14: Regulatory Deferral Account	01 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial statements	01 January 2016
MFRS 15: Revenue from Contracts with Customers	01 January 2017
MFRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)	01 January 2018

A1. Basis of Preparation (Cont'd)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncement are not expected to have significant impact to the financial statements of the Group except for MFRS 15, which will supersede all current revenue recognition requirements under MFRS. The Group is currently assessing the impact of this Standard and plans to adopt this Standard on the required effective date.

Prior Year Adjustment

Previously, revenue on disposal of property-in-progress was recognised only to the extent of the margin realised. Based on the recognised criteria of MFRS 118, revenue can only be recognised upon the transfer of significant risk and reward of ownership of the goods.

As a result of the above, the effect of the restatement of the financial statements are summarised below:

	Group		
	31.12.2013		31.12.2013
	As previously	MFRS118	As restated
	stated	RM'000	RM'000
	RM'000	RM'000	RM'000
i) Impact on Consolidated Statements of Profit or Loss and Other Comprehensive Income			
Revenue	55,454	(3,009)	52,445
Income tax expense	(419)	728	309
Non-controlling interest	(776)	1,026	250
ii) Impact on Consolidated Statements of Financial Position			
Deferred tax assets	149	(48)	101
Inventories	20,605	2,039	22,644
Trade receivables	21,585	(5,433)	16,152
Other payables and accruals	8,412	(385)	8,027
Taxation	2,181	(776)	1,405

Other than the above, there are no other significant impact to the Group's financial statements.

A2. Seasonal or Cyclical Factors

The Group's performance is not materially affected by any seasonal or cyclical factors.

A3. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial year under review.

A4. Changes in Estimates

There were no changes in estimates that have had any material effect on the result for the current financial year under review.

A5. Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial year.

A6. Dividend Paid

No dividend was paid during the current financial year.

A7. Segmental Information

	Industrial machine RM'000	Properties RM'000	Others RM'000	Elimination RM'000	Group RM'000
Results for 3 months ended 31 December 2014					
Revenue					
External	6,346	23,165	271	-	29,782
Inter-segment	-	-	2,264	(2,264)	-
Total	<u>6,346</u>	<u>23,165</u>	<u>2,535</u>	<u>(2,264)</u>	<u>29,782</u>
Results					
Operating profit / (loss)	<u>1,617</u>	<u>10,294</u>	<u>(1,558)</u>	-	10,353
Finance costs					(22)
Profit before tax					<u>10,331</u>
Results for 3 months ended 31 December 2013					
Revenue					
External	7,583	16,018	966	-	24,567
Inter-segment	418	-	-	(418)	-
Total	<u>8,001</u>	<u>16,018</u>	<u>966</u>	<u>(418)</u>	<u>24,567</u>
Results					
Operating profit / (loss)	(2,309)	8,865	522	-	7,078
Finance costs					(3)
Profit before tax					<u>7,075</u>
Results for 12 months ended 31 December 2014					
Revenue					
External	29,412	37,348	2,136	-	68,896
Inter-segment	325	-	2,984	(3,309)	-
Total	<u>29,737</u>	<u>37,348</u>	<u>5,120</u>	<u>(3,309)</u>	<u>68,896</u>
Results					
Operating profit / (loss)	2,378	15,626	(5,332)	-	12,672
Finance costs					(337)
Profit before tax					<u>12,335</u>
Results for 12 months ended 31 December 2013					
Revenue					
External	33,136	16,542	2,767	-	52,445
Inter-segment	1,208	-	-	(1,208)	-
Total	<u>34,344</u>	<u>16,542</u>	<u>2,767</u>	<u>(1,208)</u>	<u>52,445</u>
Results					
Operating profit / (loss)	(1,528)	5,492	(324)	-	3,640
Finance costs					27
Profit before tax					<u>3,667</u>

A8. Material Events Subsequent to The End of Interim Period

There is no material event subsequent to the end of the financial year other than those disclosed in Note B7 to the interim financial statement.

A9. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial year except for the following:

- i) On 12th May 2014, the Company incorporated a wholly owned subsidiary company, HCK Capital Holdings Sdn Bhd, with an issued and paid up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.
- ii) On 12th May 2014, the Company had transferred its wholly owned subsidiaries, namely, HCK Properties Sdn Bhd (f.k.a. Hyoxen Sdn Bhd), HCK Communications Sdn Bhd (f.k.a. Gemsia Sdn Bhd) and HCK Alliances Sdn Bhd (f.k.a. Ideal Primax Sdn Bhd) to its wholly owned subsidiaries, HCK Capital Holdings Sdn Bhd at its book value of RM50,004.00. The transfer did not have any significant impact to the Group's financial results. The ultimate holding company remain unchanged.
- iii) On 14th May 2014, the Company's wholly owned subsidiary company, HCK Capital Holdings Sdn Bhd, acquired the entire issued and paid-up share capital of HCK Food Sdn Bhd for a cash consideration of RM100,000.00 .
- iv) On 15th May 2014, the Group's wholly-owned subsidiary, HCK Communications Sdn Bhd (f.k.a. Gemsia Sdn Bhd), incorporated a wholly owned subsidiary company, IGAR Worldwide Sdn Bhd (f.k.a. IGAR Worldwide Media Sdn Bhd), with an issued and paid up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.
- v) On 16th May 2014, the Group's wholly-owned subsidiary, HCK Communications Sdn Bhd (f.k.a. Gemsia Sdn Bhd), acquired 2 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of HCK Technologies Sdn Bhd, for a total cash consideration of RM2.00.
- vi) On 19th May 2014, the Group's wholly-owned subsidiary, HCK Communications Sdn Bhd (f.k.a. Gemsia Sdn Bhd), incorporated a subsidiary company, HCK Studios Sdn Bhd, with an issued and paid-up share capital comprising 100 ordinary shares of RM1.00 each, in which it has 70% equity interest.
- vii) On 30 May 2014, the Group's wholly own subsidiary, HCK Properties Sdn Bhd (f.k.a. Hyoxen Sdn Bhd), entered into a conditional share sale agreement with Katherine Khoo Sen Sen to acquire the remaining 900,000 ordinary shares, representing remaining 45% of the equity interest in Trilink Essential Sdn Bhd ("Trilink") for a purchase consideration of RM3,222,391 to be satisfied entirely by cash. The purchase consideration was then reduced to RM2,328,560 through a supplemental agreement entered on 25 June 2014. On 4 July 2014, all terms and conditions in the agreements have been fulfilled and hence, Trilink became wholly owned subsidiary of the Group.
- viii) On 16 June 2014, The Group's wholly owned subsidiary company, HCK Properties Sdn Bhd (f.k.a. Hyoxen Sdn Bhd), incorporated a wholly owned subsidiary company, HCK Hospitality Sdn Bhd, with an issued and paid up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.
- ix) On 26 June 2014, the Group's wholly owned subsidiary company, HCK Food Sdn Bhd, incorporated a wholly owned subsidiary company, I Prefer Original Sdn Bhd, with an issued and paid up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

A10. Changes in Contingent Liabilities / Contingent Assets

As at the reporting date, other than those disclosed below, there have been no changes in the contingent liabilities/assets since the last annual reporting date.

	RM'000
Trade purposes guarantee	<u>30</u>

The Company has a contingent asset arising from the legal action against a trade debtor. The trade debt amounts to RM5,719,047, in which there is a likelihood for recoverability. Adequate impairment on the amount due has been made to this particular debt amount.

A11. Capital Commitment

There is no capital commitment not provided for in the interim financial statements as at the reporting date.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

Review of results for the quarter

The Group's revenue increased by 21% as compared to the corresponding quarter of preceding year. The increase was mainly contributed by the property segment where the segment recorded an increase of 45% increase over previous years. The increase was partially offset by lower revenue recorded by industrial machine of 16% as compared to the corresponding quarter of preceding year.

The Group achieved RM10.3 million profits before taxation, representing an increase of 46% as compared to the corresponding quarter of preceding year. The increase was in line with the increase in revenue contribution from property segment. Industrial machine recorded a profit before tax as compared to loss before tax in the corresponding quarter of preceding year. The loss in industrial machine in preceding year quarter was mainly due to the impairment in trade receivable of RM3.0 million.

Review of results for the financial period to date

The Group recorded revenue of RM68.9 million, an increased of 31.4% as compared to the revenue of RM52.4 million recorded in 2013. The increase was mainly due to higher revenue recorded by the property segment, which represented more than 100% increased in revenue as compared to revenue in 2013. The revenue increase in property segment was partially offset by lower revenue recorded by industrial machine and engineering segment which contributed RM29.4 million sales during the financial period under review, a decrease of 11% as compared to RM33.1 million in 2013.

The Group achieved RM12.3 million profits before taxation, an increase of more than 100% as compared to profit before tax of RM3.7 million in 2013. The profits were mainly derived from the property segment in line with the increase in revenue. Lower profit in 2013 was mainly due to the impairment on trade receivables of RM7.4 million recorded in industrial machine segment.

B2. Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter

The Group achieved RM10.3 million profits before taxation compared to RM2.6 million in the preceding quarter. The increase of more than 100% which is in line with the increase in revenue and also due to the changes in accounting policy resulting in higher revenue recorded in the current quarter under review.

B3. Future Prospects

In 2015, the property sector is anticipated to face a more subdued market demand arising from the tightening of credit market, drop in global oil prices as well as the implementation of the Goods & Services Tax ("GST") in April 2015. Nevertheless, the Group is cautiously optimistic that its property division will continue to contribute positively to the Group's bottom line given the strategic location of its properties and proper execution of its sales & marketing strategy to achieve the desired results.

As for the industrial machine segment, it continues to operate in a competitive environment and is therefore expected to remain challenging in 2015.

B4. Profit Forecast or Profit Guarantee

The Group has not provided any profit forecast in a public document.

B5. Variance from profit forecast or profit guarantee

Not applicable.

B6. Taxation

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31/12/2014 RM '000	31/12/2013 RM '000	31/12/2014 RM '000	31/12/2013 RM '000
Current income tax				
- Malaysia income tax	2,398	1,489	3,319	1,619
- Over provision in prior year	(264)	(736)	(374)	(736)
	<u>2,134</u>	<u>753</u>	<u>2,945</u>	<u>883</u>
Deferred taxation				
- Origination and reversal of temporary difference	(42)	(1,071)	(42)	(1,033)
- Over provision in prior year	97	(159)	(159)	(159)
	<u>2,189</u>	<u>(477)</u>	<u>2,744</u>	<u>(309)</u>

Income tax expense is recognized in each interim period based on the best estimate of the income tax payable for the full financial year. The effective income tax rate for the current quarter and for the year ended 31 December 2014 is lower mainly due to the utilisation of previous unutilised tax losses coupled with the tax exemption status in one of the subsidiaries which was granted with the MSC status by Ministry of International Trade and Industry Malaysia.

B7. Status of Corporate Proposals

i) On 30 May 2014, the Group announced on a private placement of up to 20% of the issued and paid-up share capital of the Company. Approvals from Bursa Malaysia Securities Berhad and Shareholders have been obtained on 4 July 2014 and 20 August 2014 respectively. The private placement was completed on 12 December 2014.

ii) Status of utilisation of proceeds

Upon the completion of private placement on 12 December 2014, there is a differential sum from the proceed raised as the shares were issued at RM2.40 per share instead of RM3.00 per share. In view of changes in operating environment coupled with the anticipated rise in borrowing costs, the Company decided to vary the utilisation of proceed raised in accordance to the latest business strategies and plans, summarised as below:

	Proposed utilisation RM'000	Actual Proceeds RM'000	Revised utilisation RM'000
a) Property - related acquisition and expenses	24,720	-	13,708
b) Loan repayment	-	-	2,810
c) Working capital	2,000	-	5,408
d) Estimated expenses	1,000	-	250
	<u>27,720</u>	<u>22,176</u>	<u>22,176</u>

B7. Status of Corporate Proposals (Cont'd)

ii) Status of utilisation of proceeds (cont'd)

With the reallocation of utilisation, the status of utilisation of the gross proceeds raised, after adjustment of actual price, from the private placement as at 23 February 2015 is as follows:

	Proposed	Actual	Intended	Deviation	
	utilisation RM'000	utilisation RM'000	timeframe for utilisation	RM'000	%
a) Property - related acquisition and expenses	13,708	1,592	Within 22 months	-	0%
b) Loan repayment	2,810	1,855	Within 22 months	-	0%
c) Working capital	5,408	2,807	Within 22 months	-	0%
d) Estimated expenses	250	170	Within 6 months	-	0%
	<u>22,176</u>	<u>6,424</u>		<u>-</u>	<u>0%</u>

B8. Borrowings and Debt Securities

The Group's borrowings as at 31 December 2014:

	31/12/2014 RM'000
(a) Short term (secured)	
- Hire purchases	369
- Term loan	12,076
	<u>12,445</u>
(b) Long term (secured)	
- Term loan	908
- Hire purchases	853
	<u>14,206</u>

B9. Changes in Material litigation

Other than the disclosure in Note A10 to the interim financial statement, there was no other material litigation against the Group as at the reporting date.

B10. Proposed Dividend

There was no dividend proposed in the current quarter and the previous corresponding quarter.

B11. Earnings per share

There was no dividend proposed in the current quarter and the previous corresponding quarter.

	3 Months Ended		12 Months Ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Profit attributable to ordinary equity owners of the parent (RM'000)	7,919	7,891	9,456	4,226
Weighted average number of ordinary shares in issue ('000)	46,732	44,301	46,732	44,301
Basic earnings per share (sen)	16.95	17.81	20.23	9.54

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and which may dilute its basic earnings per share

B12. Auditors' report on preceding annual financial statement

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.

B13. Breakdown of Realised and Unrealised Profits or Losses

	12 Months Ended	
	31/12/2014 RM'000	31/12/2013 RM'000
Retained earnings / (accumulated losses)		
Realised	23,272	7,685
Unrealised	(501)	(2,700)
	<u>22,771</u>	<u>4,985</u>
Less: Consolidation adjustments	(15,352)	(13,055)
Total Group's retained earnings / (accumulated losses)	<u>7,419</u>	<u>(8,070)</u>

B14. Breakdown of Realised and Unrealised Profits or Losses

	3 Months Ended		12 Months Ended	
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Interest income	(34)	(121)	(97)	(151)
Interest expense	56	124	434	124
Amortisation of intangible assets	26	-	26	-
Depreciation of property, plant and equipment	246	167	820	718
Dilution of interest in a subsidiary	89	-	89	-
Fair value adjustment on investment property	-	(467)	-	(467)
Impairment on goodwill on consolidation	1	-	19	-
Impairment loss on trade receivables	783	3,667	783	7,480
Bad debts written off	7	6	7	195
Gain on foreign exchange - realised	(929)	(441)	(535)	(564)
(Gain) / Loss on foreign exchange - unrealised	678	225	(188)	348