



**Interim Financial Statement
For the Financial Period Ended 30 June 2015**

HCK CAPITAL GROUP BERHAD

(Company no: 484964-H)

**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the financial period ended 30.06.2015**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30.06.2015</u>	<u>30.06.2014</u>	<u>30.06.2015</u>	<u>30.06.2014</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Continuing Operations				
Revenue	8,098	5,529	16,245	7,064
Cost of sales	(2,334)	(1,604)	(3,989)	(2,259)
Gross Profit	5,764	3,925	12,256	4,805
Other operating income	7	11	8	22
Administrative and general expenses	(3,416)	(2,673)	(6,623)	(4,511)
Sales and marketing expenses	(290)	(294)	(569)	(424)
Profit / (Loss) from operations	2,065	969	5,072	(108)
Interest income	139	-	278	3
Interest expense	(117)	-	(298)	-
Profit / (Loss) before taxation	2,087	969	5,052	(105)
Tax expense	465	(463)	(993)	(506)
Profit / (Loss) after taxation from Continuing Operations	2,552	506	4,059	(611)
Discontinued Operations				
Profit after taxation from Discontinued Operations	659	721	634	2,399
Profit after taxation	3,211	1,227	4,693	1,788
Attributable to:				
Owners of the parent	3,102	1,493	4,376	2,033
Non-controlling interests	109	(266)	317	(245)
	3,211	1,227	4,693	1,788
Basic earnings / (loss) per share attributable to equity holders of the parent:				
Continuing Operations	4.76	1.67	7.29	(0.79)
Discontinued Operations	1.28	1.56	1.24	5.19
	6.05	3.23	8.53	4.40

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Company no: 484964-H)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period ended 30.06.2015**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM '000	RM '000	RM '000	RM '000
Profit after taxation for the period	3,211	1,227	4,693	1,788
Other comprehensive income				
Item that may not be subsequently reclassified to profit or loss				
Realisation of revaluation reserve	-	-	-	-
Total comprehensive income	<u>3,211</u>	<u>1,227</u>	<u>4,693</u>	<u>1,788</u>
Total comprehensive income attributable to:				
Owners of the parent	3,102	1,493	4,376	2,033
Non-controlling interests	109	(266)	317	(245)
	<u>3,211</u>	<u>1,227</u>	<u>4,693</u>	<u>1,788</u>

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Financial Position
For the financial period ended 30.06.2015

	AS AT 30.06.2015 RM' 000 Unaudited	AS AT 31.12.2014 RM' 000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	1,253	21,104
Investment property	21,000	27,930
Intangible assets	676	700
	<u>22,929</u>	<u>49,734</u>
Current assets		
Inventories	9,330	15,450
Trade receivables	28,395	37,385
Other receivables, deposits and prepayments	2,202	3,071
Tax recoverable	216	367
Short term fund	18,539	19,015
Short term deposits with licensed banks	-	16,910
Cash and bank balances	2,328	5,937
	<u>61,010</u>	<u>98,135</u>
Assets of disposal group classified as held for Sale	66,974	-
TOTAL ASSETS	<u>150,913</u>	<u>147,869</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	55,440	55,440
Share premium	25,591	25,591
Other Reserve	2,609	2,609
Retained earnings	11,445	7,069
	<u>95,085</u>	<u>90,709</u>
Non-controlling interests	<u>2,163</u>	<u>1,846</u>
Total equity	<u>97,248</u>	<u>92,555</u>
Non-current liabilities		
Deferred tax liabilities	56	1,737
Long term borrowings	316	9,135
	<u>372</u>	<u>10,872</u>
Current liabilities		
Trade payables	7,766	10,995
Other payables and accruals	10,751	27,818
Short term borrowings	2,251	5,071
Taxation	628	558
	<u>21,396</u>	<u>44,442</u>
Liabilities of disposal group classified as held for Sale	31,897	-
Total liabilities	<u>53,665</u>	<u>55,314</u>
TOTAL EQUITY AND LIABILITIES	<u>150,913</u>	<u>147,869</u>
Net assets per share attributable to equity holders of the Company (RM)	1.72	1.64

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Unaudited Condensed Consolidation Statements of Changes in Equity**For the financial period ended 30.06.2015**

RM'000	← Attributable to Owners of the Parent →						Non-controlling interests RM'000	Total Equity RM'000
	← Non-Distributable →			Distributable				
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserves RM'000	Retained earnings / (Accumulated losses) RM'000	Total RM'000			
As at 1 Jan 2014	46,200	12,897	2,609	(179)	61,527	1,679	63,206	
Contributions by owners of the Company:								
- issuance of shares by subsidiaries to non-controlling interest	-	-	-	-	-	390	390	
Changes in subsidiaries' ownership interests that do not result in a loss of control	-	-	-	(1,947)	(1,947)	(381)	(2,328)	
Total comprehensive income	-	-	-	2,033	2,033	(245)	1,788	
As at 30 June 2014	46,200	12,897	2,609	(93)	61,613	1,443	63,056	
As at 1 Jan 2015	55,440	25,591	2,609	7,069	90,709	1,846	92,555	
Total comprehensive income	-	-	-	4,376	4,376	317	4,693	
Corporate exercise expense	-	#	-	-	#	-	#	
As at 30 June 2015	55,440	25,591	2,609	11,445	95,085	2,163	97,248	

- Amount less than RM1,000

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flow
For the financial period ended 30.06.2015

	<u>Cumulative Quarter</u>	
	30.06.2015	30.06.2014
	RM' 000	RM' 000
Profit / (Loss) before taxation		
Continuing Operations	5,052	(105)
Discontinued Operations	1,176	1,970
	<u>6,228</u>	<u>1,865</u>
<u>Adjustments for :</u>		
Amortisation of intangible assets	24	-
Depreciation of property, plant and equipment	575	363
Gain on disposal of plant and equipment	(3)	-
Fair value adjustment on investment properties	-	96
Impairment of goodwill	-	19
Impairment on intangible assets	-	534
Unrealised loss on foreign exchange	(626)	109
Interest expenses	366	116
Interest Income	(308)	(25)
Total adjustment	<u>28</u>	<u>1,212</u>
Operating cash flow before changes in working capital	6,256	3,077
<u>Changes in working capital</u>		
Changes in inventories	1,697	2,322
Changes in receivables, deposits and prepayment	3,591	(5,547)
Changes in payables	8,875	7,788
Total changes in working capital	<u>14,163</u>	<u>4,563</u>
Cash flow from operations	20,419	7,640
Interest paid	(366)	(116)
Tax paid	(1,095)	(490)
Tax refund	-	856
Net cash flows from operating activities	<u>18,958</u>	<u>7,890</u>
<u>Investing activities</u>		
Interest received	308	25
Acquisition of subsidiaries, net of cash and cash equivalents	-	73
Additional investment in a subsidiary	-	(2,328)
Increase in intangible assets	-	(534)
Placement of short-term deposit pledged to licensed banks	-	(2)
Proceeds from disposal of plant and equipment	23	-
Purchase of plant and equipment	(636)	(196)
Upliftment of short term investment	-	1,451
Net cash flows used in investing activities	<u>(305)</u>	<u>(1,511)</u>
<u>Financing activities</u>		
Issuance of shares to non-controlling interest	-	390
Repayment of finance leases	(236)	(100)
Repayment of term loan	(9,898)	(3,069)
Net cash flows used in financing activities	<u>(10,134)</u>	<u>(2,779)</u>
Net increase in cash and cash equivalents	8,519	3,600
Effect of exchange rate changes	(594)	(205)
Cash and cash equivalents at beginning of year	41,810	16,729
	<u>49,735</u>	<u>20,124</u>
<u>Composition of cash and cash equivalents:</u>		
Short term fund	18,539	-
Cash & bank balances	2,328	20,176
	20,867	20,176
Assets held for sale	28,920	-
Less: Deposits pledged to licensed banks	(52)	(52)
Cash and cash equivalents at end of period	<u>49,735</u>	<u>20,124</u>

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Company no: 484964-H)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30.06.2015

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 2014 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 2014 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 119 Employee Benefits - Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010 - 2012 Cycle
Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the all and above pronouncement 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:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for financial periods beginning on or after
MFRS 14 Regulatory Deferral Accounts	01 January 2016
Amendments to MFRS 11 Joint Arrangements - <i>Accounting for Acquisitions of Interests in Joint Operations</i>	01 January 2016
Amendments to MFRS 101 Presentation of Financial Statements - <i>Disclosure Initiative</i>	01 January 2016
Amendments to MFRS 127 Consolidated and Separate Financial Statements - <i>Equity Method in Separate Financial Statements</i>	01 January 2016
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	01 January 2016
Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets - <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	01 January 2016
Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture - <i>Bearer Plants</i>	01 January 2016
Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures - <i>Investment Entities: Applying the Consolidation Exception</i>	01 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle	01 January 2016

A1. Basis of Preparation (Cont'd)

	Effective for financial periods beginning on or after
MFRSs, Amendments to MFRSs and IC Interpretations (Cont'd)	
MFRS 15: Revenue from Contracts with Customers	01 January 2017
MFRS 9 Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)	01 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have significant impact to the financial statements of the Group except for the following MFRSs where the Group is currently assessing their potential impacts.

(i) MFRS 15: Revenue from Contracts with Customers

The objective of MFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. It provides 5-step guidance for entity to recognise its revenue that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

(ii) MFRS 9: Financial Instruments

This new standards will replace MFRS139 and the main changes are the classification and measurement, impairment and hedge accounting of financial instruments. This may affect the classification and measurement of the financial assets of the Group and will not have any significant impact on the financial liabilities in terms of classification and measurement.

MFRS 9 has introduced a new, expected loss impairment model that will require more timely recognition of expected losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and it lowers the threshold for recognition of full lifetime expected losses.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required but comparative information is not compulsory.

A2. Discontinued Operations

On 30 April 2015, the Company had entered into a conditional share sale agreement ("SSA") with Chua Boon Hiong and Ng Lai Keow for the proposed disposal of 3,000,000 ordinary shares, representing 100% of the equity interest in Golsta Sdn Bhd ("GSB"), for a total disposal consideration of RM34,475,159 ("Disposal Consideration") to be satisfied entirely by cash. Further details are disclosed in Note B7(ii)(a) to the interim financial statements.

GSB and its subsidiaries were classified as held for sale and as discontinued operations ("Assets / Liabilities of disposal group held for Sale" and "Discontinued Operations"). The comparative consolidated statements of profit or loss and comprehensive income have been represented to show the Discontinued Operations separately from the Continuing Operations.

A2. Discontinued Operations (Cont'd)

Profit net of tax from Discontinued Operations were as follows:

	Individual Quarter		Cumulative Quarter	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	7,340	7,435	11,098	18,066
Cost of sales	(5,717)	(5,938)	(8,310)	(13,708)
Gross Profit	1,623	1,497	2,788	4,358
Other operating income	698	118	795	232
Administrative and general expenses	(947)	(1,529)	(1,766)	(2,342)
Sales and marketing expenses	(537)	(69)	(603)	(183)
Profit from operations	837	17	1,214	2,065
Interest income	17	5	30	22
Interest expense	(48)	(99)	(68)	(117)
Profit / (loss) before taxation	806	(77)	1,176	1,970
Tax expense	(147)	798	(542)	429
Profit, net of tax from				
Discontinued Operations	659	721	634	2,399

Assets and liabilities of disposal group classified as held for sale as at 30 June 2015 are as follows:

	As at 30.06.2015 RM'000
<u>Assets of disposal group classified as held for sale</u>	
Property, plant and equipment	20,661
Investment property	6,930
Inventories	4,423
Trade receivables	3,775
Other receivables, deposits and prepayments	2,160
Tax recoverable	105
Short term deposits with licensed banks	16,702
Cash and bank balances	12,218
	<u>66,974</u>
<u>Liabilities of disposal group classified as held for sale</u>	
Trade payables	2,405
Other payables and accruals	25,213
Borrowings	2,273
Taxation	324
Deferred tax liabilities	1,682
	<u>31,897</u>
The net cash flow incurred by GSB and its subsidiaries are as follows:	
Net cash from operating activities	7,823
Net cash from investing activities	(461)
Net cash from financing activities	(289)
	<u>7,073</u>

A3. Seasonal or Cyclical Factors

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

A4. Unusual Items

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

A5. Changes in Estimates

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

A6. Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial quarter and financial period under review.

A7. Dividend Paid

No dividend was paid during the current financial quarter and previous corresponding quarter.

A8. Segmental Information

	Properties RM'000	Food RM'000	Others RM'000	Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000
Results for 3 months ended 30 June 2015						
<u>Revenue</u>						
External	7,800	274	24	8,098	7,340	15,438
Inter-segment	-	-	5,094	5,094	839	5,933
	<u>7,800</u>	<u>274</u>	<u>5,118</u>	13,192	8,179	21,371
Consolidated adjustments and elimination				(5,094)	(839)	(5,933)
Consolidated revenue				<u>8,098</u>	<u>7,340</u>	<u>15,438</u>
<u>Results</u>						
Results before the following adjustments	4,190	(221)	(1,712)	2,257	439	2,696
Consolidated adjustments and elimination	-	(29)	(75)	(104)	-	(104)
Amortisation of intangible asset	-	(12)	-	(12)	-	(12)
Depreciation of plant and equipment	(40)	(27)	(9)	(76)	(233)	(309)
Unrealised foreign exchange gain	-	-	-	-	631	631
Segment results	<u>4,150</u>	<u>(289)</u>	<u>(1,796)</u>	2,065	837	2,902
Interest income				139	17	156
Finance costs				(117)	(48)	(165)
Income tax expense				465	(147)	318
Consolidated profit after taxation				<u>2,552</u>	<u>659</u>	<u>3,211</u>

A8. Segmental Information (Cont'd)

	Properties RM'000	Food RM'000	Others RM'000	Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000
Results for 3 months ended 30 June 2014						
<u>Revenue</u>						
External	5,529	-	-	5,529	7,435	12,964
Inter-segment	12	-	240	252	109	361
	<u>5,541</u>	<u>-</u>	<u>240</u>	<u>5,781</u>	<u>7,544</u>	<u>13,325</u>
Consolidated adjustments and elimination				(252)	(109)	(361)
Consolidated revenue				<u>5,529</u>	<u>7,435</u>	<u>12,964</u>
<u>Results</u>						
Results before the following adjustments	2,318	(41)	(409)	1,868	277	2,145
Consolidated adjustments and elimination	(240)	(534)	(106)	(880)	-	(880)
Amortisation of intangible asset	-	-	-	-	-	-
Depreciation of plant and equipment	(17)	-	(2)	(19)	(170)	(189)
Unrealised foreign exchange loss	-	-	-	-	(90)	(90)
Segment results	<u>2,061</u>	<u>(575)</u>	<u>(517)</u>	<u>969</u>	<u>17</u>	<u>986</u>
Interest income				-	5	5
Finance costs				-	(99)	(99)
Income tax expense				(463)	798	335
Consolidated profit after taxation				<u>506</u>	<u>721</u>	<u>1,227</u>
Results for 6 months ended 30 June 2015						
<u>Revenue</u>						
External	15,632	560	53	16,245	11,098	27,343
Inter-segment	-	-	5,416	5,416	1,834	7,250
	<u>15,632</u>	<u>560</u>	<u>5,469</u>	<u>21,661</u>	<u>12,932</u>	<u>34,593</u>
Consolidated adjustments and elimination				(5,416)	(1,834)	(7,250)
Consolidated revenue				<u>16,245</u>	<u>11,098</u>	<u>27,343</u>
<u>Results</u>						
Results before the following adjustments	9,403	(279)	(3,678)	5,446	1,033	6,479
Consolidated adjustments and elimination	-	(48)	(172)	(220)	-	(220)
Amortisation of intangible asset	-	(24)	-	(24)	-	(24)
Depreciation of plant and equipment	(65)	(55)	(10)	(130)	(445)	(575)
Unrealised foreign exchange gain	-	#	-	-	626	626
Segment results	<u>9,338</u>	<u>(406)</u>	<u>(3,860)</u>	<u>5,072</u>	<u>1,214</u>	<u>6,286</u>
Interest income				278	30	308
Finance costs				(298)	(68)	(366)
Income tax expense				(993)	(542)	(1,535)
Consolidated profit after taxation				<u>4,059</u>	<u>634</u>	<u>4,693</u>

- Amount less than RM1,000

A8. Segmental Information (Cont'd)

	Properties RM'000	Food RM'000	Others RM'000	Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000
Results for 6 months ended 30 June 2014						
Revenue						
External	7,064	-	-	7,064	18,066	25,130
Inter-segment	24	-	480	504	174	678
	<u>7,088</u>	<u>-</u>	<u>480</u>	<u>7,568</u>	<u>18,240</u>	<u>25,808</u>
Consolidated adjustments and elimination				(504)	(174)	(678)
Consolidated revenue				<u>7,064</u>	<u>18,066</u>	<u>25,130</u>
Results						
Results before the following adjustments	1,476	(41)	(877)	558	2,511	3,069
Consolidated adjustments and elimination	-	(534)	(106)	(640)	-	(640)
Amortisation of intangible asset	-	-	-	-	-	-
Depreciation of plant and equipment	(22)	-	(4)	(26)	(337)	(363)
Unrealised foreign exchange loss	-	-	-	-	(109)	(109)
Segment results	<u>1,454</u>	<u>(575)</u>	<u>(987)</u>	<u>(108)</u>	<u>2,065</u>	<u>1,957</u>
Interest income				3	22	25
Finance costs				-	(117)	(117)
Income tax expense				(506)	429	(77)
Consolidated (loss) / profit after taxation				<u>(611)</u>	<u>2,399</u>	<u>1,788</u>

A9. Material Events Subsequent to The End of Interim Period

There is no material event subsequent to the end of the financial period other than those disclosed in Note A2 and B7(ii) to the interim financial statement.

A10. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial period under review.

A11. Contingent Liabilities / Contingent assets

As at the reporting date, the Company has provided corporate guarantees to licensed financial institutions for banking facilities and to suppliers for trading purposes, for the benefit of the subsidiaries as below:

	Facilities granted RM'000	Amount utilised RM'000
Continuing Operations - banking facilities guarantee	4,170	2,170
Discontinued Operations - Trade purpose guarantee	30	30
	<u>4,200</u>	<u>2,200</u>

GSB, the disposal group, has a contingent asset arising from the legal action against a trade debtor. The trade debt amounted 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.

A12. Capital Commitment

	As at 30.06.2015 RM'000
Continuing Operations:	
Contracted but not provided for	27,000
Discontinued Operations:	
Contracts approved and contracted for	<u>2,696</u>

HCK CAPITAL GROUP BERHAD

(Company no: 484964-H)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30.06.2015

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 current quarter

Continuing Operations

For the current financial quarter, the Group registered higher revenue of RM8.1 million as compared to RM5.5 million recorded in preceding year's corresponding quarter, representing an increase of RM2.6 million or 46.5%. The increase is mainly due to contribution from the sales of Jazz Retail's shop units and higher rental income.

The Group recorded RM2.1 million profits before taxation, representing an increase of 115.4% as compared to profit before taxation of RM1.0 million recorded in corresponding quarter of preceding year. The increase was in line with the increase in revenue contribution from property segment.

Review of results for the financial period to date

The Group recorded revenue of RM16.2 million, an increased of 130% as compared to the revenue of RM7.1 million recorded in 2014. The increase was mainly due to higher revenue contributions from the Jazz Retail, Ara Damansara & The Duo, USJ1 Projects as well as deriving higher rental income.

The Group achieved RM5.1 million profits before taxation, an increase of more than 100% as compared to loss before tax of RM0.1 million in 2014. The profits were mainly derived from the property segment in line with the increase in revenue.

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

Continuing Operations

	3 months ended	
	30/06/2015	31/03/2015
Revenue	8,098	8,147
Profit before taxation	2,087	2,965

Revenue and profit before taxation for the current quarter is lower by 0.6% and 29.6% respectively as compared to the revenue and profit before taxation achieved in preceding quarter. This is mainly due to lower revenue from property management segment.

B3. Future Prospects

The Group is aware of various factors that affect the property market in 2015 such as the Government's cooling measures, stricter lending requirements by the financial institution, competition among developers and weak market sentiments arising from these factors.

Notwithstanding the above, 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 execution of its sales & marketing strategy to achieve the desired results.

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		Cumulative quarter	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM '000	RM '000	RM '000	RM '000
Continuing Operations				
Current income tax				
- Malaysia income tax	(465)	463	993	506
- Over provision in prior year	-	-	-	-
	<u>(465)</u>	<u>463</u>	<u>993</u>	<u>506</u>
Discontinued Operations				
Current income tax				
- Malaysia income tax	147	(369)	542	-
- Over provision in prior year	-	(173)	-	(173)
	<u>147</u>	<u>(542)</u>	<u>542</u>	<u>(173)</u>
Deferred taxation				
- Over provision in prior year	-	(256)	-	(256)
	<u>147</u>	<u>(798)</u>	<u>542</u>	<u>(429)</u>
	<u>(318)</u>	<u>(79)</u>	<u>1,535</u>	<u>333</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 period year to date and current quarter was lower than statutory tax rate, principally due to utilisation of previous unutilised tax losses.

B7. Status of Corporate Proposals

i) Status of utilisation of proceeds

The status of utilisation of the proceeds raised from the private placement, as at 13 August 2015, is as follows:

	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation	Deviation	
				RM'000	%
a) Property - related acquisition and expenses	13,708	-	Within 22 months	-	0%
b) Loan repayment	2,810	2,810	Within 22 months	-	0%
c) Working capital	5,408	5,408	Within 22 months	-	0%
d) Estimated expenses	250	250	Within 6 months	-	0%
	<u>22,176</u>	<u>8,468</u>		<u>-</u>	<u>0%</u>

B7. Status of Corporate Proposals (Cont'd)

ii) On 30 April 2015, the Group has announced the followings:

- a) The Company entered into a conditional share sale agreement with Chua Boon Hiong and Ng Lai Keow (collectively referred to as the "Purchasers of GSB") for the proposed disposal of 3,000,000 GSB Shares ("GSB Sale Share(s)"), representing 100% of the equity interest in GSB, for a total disposal consideration of RM34,475,159 ("Disposal Consideration") to be satisfied entirely by cash ("GSB SSA"); and
(hereinafter referred to as "Proposed Disposal")
- b) HCK Properties Sdn Bhd ("HCKP"), a wholly-owned subsidiary company entered into a conditional share sale agreement with Tan Sri Clement Hii Chii Kok ("Tan Sri Clement Hii") and Clifford Hii Toh Leong ("Clifford Hii") (collectively referred to as the "Vendors of ESSB") for the proposed acquisition of 30,732,451 ordinary shares in Equal Straits Sdn Bhd ("ESSB") ("ESSB Sale Share(s)"), representing 100% of the equity interest in ESSB, for a total purchase consideration of RM30,000,000 ("Purchase Consideration") to be satisfied entirely by cash ("ESSB SSA").
(hereinafter referred to as "Proposed Acquisition")

On 20 August 2015, the Proposed Disposal and Proposed Acquisition were approved by the Shareholders of the Company at an Extraordinary General Meeting.

B8. Borrowings and Debt Securities

Details of Group's borrowings as at 30 June 2015 are as follows:

	Continuing operations	Discontinued Operations	30/06/2015 RM'000	30/06/2014 RM'000
a) Current (secured)				
- Hire purchases	81	363	444	178
- Term loan	2,170	73	2,243	73
	<u>2,687</u>	<u>436</u>	<u>2,687</u>	<u>251</u>
b) Non-current (secured)				
- Term loan	-	788	788	859
- Hire purchases	316	1,049	1,365	546
	<u>316</u>	<u>1,837</u>	<u>2,153</u>	<u>1,405</u>
	<u>3,003</u>	<u>2,273</u>	<u>4,840</u>	<u>1,656</u>

All loans and borrowings are denominated in Ringgit Malaysia ("RM").

B9. Changes in Material litigation

Other than those disclosed in Note A11, 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 / (loss) per share

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

	Individual Quarter		Cumulative Quarter	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Profit / (Loss) attributable to ordinary equity owners of the parent (RM'000)				
Continuing Operations	2,443	772	3,742	(366)
Discontinued Operations	659	721	634	2,399
	<u>3,102</u>	<u>1,493</u>	<u>4,376</u>	<u>2,033</u>
Weighted average number of ordinary shares in issue ('000)	51,314	46,200	51,314	46,200
Basic earnings / (loss) per share (sen)				
Continuing Operations	4.76	1.67	7.29	(0.79)
Discontinued Operations	1.28	1.56	1.24	5.19
	<u>6.05</u>	<u>3.23</u>	<u>8.53</u>	<u>4.40</u>

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 2014 was not qualified.

B13. Breakdown of Realised and Unrealised Profits or Losses

	Cumulative Quarter	
	30/06/2015 RM'000	30/06/2014 RM'000
Retained earnings		
Realised	26,568	16,890
Unrealised	1,653	1,021
	<u>28,221</u>	<u>17,911</u>
Less: Consolidation adjustments	<u>(16,776)</u>	<u>(18,004)</u>
Group's retained earnings	<u>11,445</u>	<u>(93)</u>

B14. Profit / (loss) for the period

	Individual Quarter		Cumulative Quarter	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Continuing Operations				
Interest income	(139)	-	(278)	(3)
Interest expense	117	-	298	-
Amortisation of intangible assets	12	-	24	-
Depreciation of property, plant and equipment	76	19	130	26
Discontinued Operations				
Interest income	(17)	(5)	(30)	(22)
Interest expense	48	99	68	117
Depreciation of property, plant and equipment	233	170	445	337
Gain on foreign exchange - realised	(5)	(47)	(37)	(100)
(Gain) / Loss on foreign exchange - unrealised	(632)	90	(626)	109

B15. Authorised for Issue

The condensed consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 August 2015.