



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

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

(Company no: 484964-H)

**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income  
For the Financial Period Ended 30 September 2015**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30.09.2015</u>	<u>30.09.2014</u>	<u>30.09.2015</u>	<u>30.09.2014</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<b>Continuing Operations</b>				
Revenue	7,729	7,413	23,974	14,477
Cost of sales	(264)	(2,267)	(4,253)	(4,526)
<b>Gross Profit</b>	<b>7,465</b>	<b>5,146</b>	<b>19,721</b>	<b>9,951</b>
Other operating income	344	10	352	32
Administrative and general expenses	(4,458)	(2,510)	(11,081)	(7,021)
Sales and marketing expenses	(1,098)	(453)	(1,667)	(877)
<b>Profit from operations</b>	<b>2,253</b>	<b>2,193</b>	<b>7,325</b>	<b>2,085</b>
Interest income	96	-	374	3
Interest expense	(42)	(223)	(340)	(223)
<b>Profit before taxation</b>	<b>2,307</b>	<b>1,970</b>	<b>7,359</b>	<b>1,865</b>
Tax expense	(135)	(23)	(1,128)	(529)
<b>Profit after taxation from Continuing Operations</b>	<b>2,172</b>	<b>1,947</b>	<b>6,231</b>	<b>1,336</b>
<b>Discontinued Operations</b>				
Profit after taxation from Discontinued Operations	(590)	(1,831)	44	568
<b>Profit after taxation</b>	<b>1,582</b>	<b>116</b>	<b>6,275</b>	<b>1,904</b>
<b>Attributable to:</b>				
Owners of the parent	1,745	(873)	6,121	1,160
Non-controlling interests	(163)	989	154	744
	<b>1,582</b>	<b>116</b>	<b>6,275</b>	<b>1,904</b>
<b>Basic earnings/(loss) per share attributable to equity holders of the parent:</b>				
Continuing Operations	4.35	2.07	11.32	1.28
Discontinued Operations	(1.10)	(3.96)	0.08	1.23
	<b>3.25</b>	<b>(1.89)</b>	<b>11.41</b>	<b>2.51</b>

*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.*

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(Company no: 484964-H)

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For the Financial Period Ended 30 September 2015**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM '000	RM '000	RM '000	RM '000
Profit after taxation for the period	1,582	116	6,275	1,904
<b>Other comprehensive income</b>				
<b>Item that may not be subsequently reclassified to profit or loss</b>				
Realisation of revaluation reserve	-	-	-	-
<b>Total comprehensive income</b>	<u>1,582</u>	<u>116</u>	<u>6,275</u>	<u>1,904</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	1,745	(873)	6,121	1,160
Non-controlling interests	(163)	989	154	744
	<u>1,582</u>	<u>116</u>	<u>6,275</u>	<u>1,904</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)

(Company no: 484964-H)

**Unaudited Condensed Consolidated Statements of Financial Position****For the Financial Period Ended 30 September 2015**

	<b>AS AT 30.09.2015 RM' 000 Unaudited</b>	<b>AS AT 31.12.2014 RM' 000 Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,247	21,104
Investment property	21,000	27,930
Property development expenditure	43,483	-
Intangible assets	664	700
	<u>66,394</u>	<u>49,734</u>
<b>Current assets</b>		
Inventories	9,340	15,450
Trade receivables	33,572	37,385
Other receivables, deposits and prepayments	2,879	3,071
Tax recoverable	527	367
Short term fund	-	19,015
Short term deposits with licensed banks	-	16,910
Cash and bank balances	19,024	5,937
	<u>65,342</u>	<u>98,135</u>
<b>TOTAL ASSETS</b>	<u>131,736</u>	<u>147,869</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	55,440	55,440
Share premium	25,591	25,591
Other Reserve	-	2,609
Retained earnings	15,799	7,069
	<u>96,830</u>	<u>90,709</u>
<b>Non-controlling interests</b>	<u>2,000</u>	<u>1,846</u>
<b>Total equity</b>	<u>98,830</u>	<u>92,555</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	56	1,737
Long term borrowings	13,333	9,135
	<u>13,389</u>	<u>10,872</u>
<b>Current liabilities</b>		
Trade payables	8,137	10,995
Other payables and accruals	11,089	27,818
Short term borrowings	95	5,071
Taxation	196	558
	<u>19,517</u>	<u>44,442</u>
<b>Total liabilities</b>	<u>32,906</u>	<u>55,314</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>131,736</u>	<u>147,869</u>
Net assets per share attributable to equity holders of the Company (RM)	1.75	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**

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**Unaudited Condensed Consolidation Statements of Changes in Equity****For the Financial Period Ended 30 September 2015**

RM'000	← Attributable to Owners of the Parent →				Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	← Non-Distributable → Distributable (Accumulated losses)/ Retained earnings RM'000			
<b>As at 1 Jan 2014</b>	46,200	12,897	2,609	(179)	61,527	1,679	63,206
Issuance shares to non-controlling interest	-	-	-	-	-	478	478
Additional investment in a subsidiary	-	-	-	-	-	(2,328)	(2,328)
Total comprehensive income	-	-	-	1,160	1,160	744	1,904
<b>As at 30 September 2014</b>	46,200	12,897	2,609	981	62,687	573	63,260
<b>As at 1 Jan 2015</b>	55,440	25,591	2,609	7,069	90,709	1,846	92,555
Total comprehensive income	-	-	-	6,121	6,121	154	6,275
Changes in subsidiaries' ownership interest	-	-	(2,609)	2,609	-	-	-
Corporate exercise expense	-	#	-	-	#	-	#
<b>As at 30 September 2015</b>	55,440	25,591	-	15,799	96,830	2,000	98,830

# - 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)  
(Company no: 484964-H)

**Unaudited Condensed Consolidated Statement of Cash Flow**  
**For the Financial Period Ended 30 September 2015**

	<u>Cumulative Quarter</u>	
	30.09.2015	30.09.2014
	RM' 000	RM' 000
<b>Profit before taxation</b>		
Continuing Operations	7,359	1,865
Discontinued Operations	2,053	139
	<u>9,412</u>	<u>2,004</u>
<b><u>Adjustments for :</u></b>		
Non-cash items	1,251	1,077
Non-operating items	(701)	(869)
<b>Total adjustment</b>	<u>550</u>	<u>208</u>
<b>Operating cash flow before changes in working capital</b>	<b>9,962</b>	<b>2,212</b>
<b><u>Changes in working capital</u></b>		
Changes in inventories	(477)	8,356
Changes in trade and other receivables	(6,242)	(20,297)
Changes in trade and other payables	20,789	22,538
<b>Total changes in working capital</b>	<u>14,070</u>	<u>10,597</u>
<b>Cash flow from operations</b>	<b>24,032</b>	<b>12,809</b>
Interest paid	(340)	(223)
Tax paid	(2,129)	(1,816)
Tax refund	-	533
<b>Net cash flows from operating activities</b>	<u>21,563</u>	<u>11,303</u>
<b><u>Investing activities</u></b>		
Interest received	374	3
Acquisition of subsidiaries, net of cash and cash equivalents	(29,912)	73
Additional investment in a subsidiary	-	(2,328)
Increase in intangible assets	-	(694)
Proceeds from disposal, net of cash and cash equivalents disposed of	(1,518)	-
Proceeds from disposal of plant and equipment	23	-
Purchase of plant and equipment	(770)	(726)
Upliftment of short term investment	-	1,451
<b>Net cash flows used in investing activities</b>	<u>(31,803)</u>	<u>(2,221)</u>
<b><u>Financing activities</u></b>		
Issuance of shares to non-controlling interest	-	390
Repayment of finance leases	(455)	(215)
Repayment of term loan	(12,091)	(2,680)
<b>Net cash flows used in financing activities</b>	<u>(12,546)</u>	<u>(2,505)</u>
Net (decrease)/increase in cash and cash equivalents	(22,786)	6,577
Effect of exchange rate changes	-	770
Cash and cash equivalents at beginning of year	41,810	16,729
	<u>19,024</u>	<u>24,076</u>
<b><u>Composition of cash and cash equivalents:</u></b>		
Short term deposits with licensed banks	-	15,698
Cash & bank balances	19,024	8,430
	19,024	24,128
Less: Deposits pledged to licensed banks	-	(52)
<b>Cash and cash equivalents at end of period</b>	<u>19,024</u>	<u>24,076</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**

(Incorporated in Malaysia)

(Company no: 484964-H)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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

The Company had on 14 September 2015 completed its share sale agreement ("SSA") with Chua Boon Hiong and Ng Lai Keow for the 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 discontinued operations ("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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	3,372	6,572	14,470	24,638
Cost of sales	(2,057)	(6,864)	(10,367)	(20,572)
Gross Profit/(Loss)	1,315	(292)	4,103	4,066
Other operating income	221	(38)	1,016	194
Administrative and general expenses	(831)	(644)	(2,597)	(2,986)
Sales and marketing expenses	177	(857)	(426)	(1,040)
Profit/(Loss) from operations	882	(1,831)	2,096	234
Interest income	15	38	45	60
Interest expense	(20)	(38)	(88)	(155)
Profit/(Loss) before taxation	877	(1,831)	2,053	139
Tax expense	(2)	-	(544)	429
Profit/(Loss), net of tax	875	(1,831)	1,509	568
Loss on sale of Discounted Operations	(1,465)	-	(1,465)	-
(Loss)/Profit, net of tax from Discontinued Operations	(590)	(1,831)	44	568

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

	As at 30.09.2015 RM'000
<u>Effect of disposal on the financial position of the Group</u>	
Property, plant and equipment	20,472
Investment property	6,930
Inventories	6,587
Trade receivables	5,358
Other receivables, deposits and prepayments	4,890
Tax recoverable	116
Cash and cash equivalents	36,046
Trade payables	(5,043)
Other payables and accruals	(35,536)
Borrowings	(2,017)
Taxation	(181)
Deferred tax liabilities	(1,682)
Net assets and liabilities	35,940
Loss on sale of discontinued operation	(1,465)
Consideration received	34,475
Cash and cash equivalents disposed of	(35,993)
Net cash outflow	(1,518)
The net cash flow from discontinued operation:	
Net cash from operating activities	13,312
Net cash from investing activities	(1,518)
Net cash from financing activities	17
	11,811

## 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	Elimination RM'000	Total RM'000
<b>Results for 3 months ended 30 September 2015</b>					
<b><u>Revenue</u></b>					
External	7,454	258	17		7,729
Inter-segment	3,796	-	(506)	(3,290)	-
	<u>11,250</u>	<u>258</u>	<u>(489)</u>	<u>(3,290)</u>	<u>7,729</u>
<b><u>Results</u></b>					
Results before the following adjustments	2,419	(205)	(228)	260	2,246
Amortisation of intangible asset	-	(13)	-		(13)
Depreciation of plant and equipment	(48)	(27)	(2)	(223)	(300)
Loss on cash in transit	-	(7)	-		(7)
Gain on disposal of plant and equipment	-	3	-		3
Negative goodwill written off	324	-	-		324
Segment results	<u>2,695</u>	<u>(249)</u>	<u>(230)</u>		<u>2,253</u>
Interest income	6	-	90		96
Finance costs	(42)	-	-		(42)
Income tax expense	(135)	-	-		(135)
Consolidated profit/(loss) after taxation	<u>2,524</u>	<u>(249)</u>	<u>(140)</u>		<u>2,172</u>

**A8. Segmental Information (Cont'd)**

	Properties RM'000	Food RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Results for 3 months ended 30 September 2014</b>					
<b><u>Revenue</u></b>					
External	7,119	128	166		7,413
Inter-segment	252	-	-	(252)	-
	<u>7,371</u>	<u>128</u>	<u>166</u>	<u>(252)</u>	<u>7,413</u>
<b><u>Results</u></b>					
Results before the following adjustments	3,395	(146)	(769)	204	2,684
Depreciation of property, plant and equipment	(22)	(19)	-	(170)	(211)
Dilution of interest in a subsidiary	-	(89)	-		(89)
Fair value adjustment on investment properties	(173)	-	-		(173)
Impairment on goodwill	(15)	-	(3)		(18)
Segment results	<u>3,185</u>	<u>(254)</u>	<u>(772)</u>		<u>2,193</u>
Interest income	-	-	-		-
Finance costs	(223)	-	-		(223)
Income tax expense	17	-	(40)		(23)
Consolidated profit/(loss) after taxation	<u>2,979</u>	<u>(254)</u>	<u>(812)</u>		<u>1,947</u>
<b>Results for 9 months ended 30 September 2015</b>					
<b><u>Revenue</u></b>					
External	23,086	818	70		23,974
Inter-segment	7,399	13	1,547	(8,959)	-
	<u>30,485</u>	<u>831</u>	<u>1,617</u>	<u>(8,959)</u>	<u>23,974</u>
<b><u>Results</u></b>					
Results before the following adjustments	8,755	(515)	(960)	637	7,917
Amortisation of intangible asset	-	(37)	-		(37)
Depreciation of plant and equipment	(122)	(82)	(3)	(668)	(875)
Loss on cash in transit	-	(7)	-		(7)
Gain on disposal of plant and equipment	-	3	-		3
Negative goodwill written off	324	-	-		324
Segment results	<u>8,957</u>	<u>(638)</u>	<u>(963)</u>		<u>7,325</u>
Interest income	20	-	354		374
Finance costs	(340)	-	-		(340)
Income tax expense	(1,128)	-	-		(1,128)
Consolidated profit/(loss) after taxation	<u>7,509</u>	<u>(638)</u>	<u>(609)</u>		<u>6,231</u>

**A8. Segmental Information (Cont'd)**

	Properties RM'000	Food RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Results for 9 months ended 30 September 2014</b>					
<b><u>Revenue</u></b>					
External	14,183	128	166		14,477
Inter-segment	756	-	-	(756)	-
	<u>14,939</u>	<u>128</u>	<u>166</u>	<u>(756)</u>	<u>14,477</u>
<b><u>Results</u></b>					
Results before the following adjustments	4,844	(211)	(1,354)	(340)	2,939
Depreciation of property, plant and equipment	(48)	(19)	-	(507)	(574)
Dilution of interest in a subsidiary	-	(89)	-		(89)
Fair value adjustment on investment properties	(173)	-	-		(173)
Impairment on goodwill	(15)	-	(3)		(18)
Segment results	<u>4,608</u>	<u>(319)</u>	<u>(1,357)</u>		<u>2,085</u>
Interest income	-	-	3		3
Finance costs	(223)	-	-		(223)
Income tax expense	(489)	-	(40)		(529)
Consolidated profit/(loss) after taxation	<u>3,896</u>	<u>(319)</u>	<u>(1,394)</u>		<u>1,336</u>

**A9. Material Events Subsequent to The End of Interim Period**

There is no material event subsequent to the end of the financial period.

**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**

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>

## HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

(Company no: 484964-H)

### CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 performance

###### Continuing Operations

The Group for the financial period ended 30 September 2015 achieved a higher revenue of RM24.0 million and a profit before taxation of RM7.4 million representing an increase of 65.6% and more than 100% respectively as compared to preceding financial period ended 30 September 2014.

Overall improvement in the financial period ended 30 September 2015 results as compared to corresponding financial period is mainly due to higher revenue contributions from the Jazz Retail, Ara Damansara & The Duo, USJ 1, billings from completion and delivery of G-Residence, Ara Damansara, as well as higher rental income.

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

###### Continuing Operations

	3 months ended	
	30/09/2015	30/06/2015
	RM'000	RM'000
Revenue	7,729	8,098
Profit before taxation	2,307	2,087

Revenue for the current quarter is lower by 4.6% as compared to the revenue in preceding quarter. Profit before taxation for the current quarter is higher by 10.5% as compared to the profit before taxation in preceding quarter. This is mainly due to the billings from completion and delivery of G-Residence, Ara Damansara.

##### B3. Future Prospects

The Malaysia property market is affected by the Government's cooling measures, stricter lending requirements by the financial institution, competition among developers and weak market sentiments.

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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM '000	RM '000	RM '000	RM '000
<b>Continuing Operations</b>				
Current income tax				
- Malaysia income tax	135	23	1,128	529
- Over provision in prior year	-	-	-	-
	<u>135</u>	<u>23</u>	<u>1,128</u>	<u>529</u>
<b>Discontinued Operations</b>				
Current income tax				
- Malaysia income tax	2	-	544	-
- Over provision in prior year	-	-	-	(173)
	<u>2</u>	<u>-</u>	<u>544</u>	<u>(173)</u>
Deferred taxation				
- Over provision in prior year	-	-	-	(256)
	<u>2</u>	<u>-</u>	<u>544</u>	<u>(429)</u>
	<u>137</u>	<u>23</u>	<u>1,672</u>	<u>356</u>

Income tax expense is recognised 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 and tax incentives giving.

**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 26 November 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) The Group has announced the followings:

- a) The Company had on 14 September 2015 completed its share sale agreement with Chua Boon Hiong and Ng Lai Keow for the disposal of 3,000,000 GSB Shares, representing 100% of the equity interest in GSB, for a total disposal consideration of RM34,475,159 to be satisfied entirely by cash; and
- b) HCK Properties Sdn Bhd, a wholly-owned subsidiary company had on 4 September 2015 completed its share sale agreement with Tan Sri Clement Hii Chii Kok and Clifford Hii Toh Leong for the acquisition of 30,732,451 ordinary shares in Equal Straits Sdn Bhd ("ESSB"), representing 100% of the equity interest in ESSB, for a total purchase consideration of RM30,000,000 to be satisfied entirely by cash.

**B8. Borrowings and Debt Securities**

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

	30/09/2015	31/12/2014
	RM'000	RM'000
a) Current (secured)		
- Hire purchases	83	369
- Term loans	12	4,702
	<hr/>	<hr/>
	95	5,071
b) Non-current (secured)		
- Hire purchases	288	908
- Term loans	13,045	8,227
	<hr/>	<hr/>
	13,333	9,135
	<hr/>	<hr/>
	13,428	14,206

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

**B9. Changes in Material litigation**

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	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Profit/(Loss) attributable to ordinary equity owners of the parent (RM'000)				
Continuing Operations	2,335	958	6,077	592
Discontinued Operations	(590)	(1,831)	44	568
	<u>1,745</u>	<u>(873)</u>	<u>6,121</u>	<u>1,160</u>
Weighted average number of ordinary shares in issue ('000)	53,668	46,200	53,668	46,200
Basic earnings/(loss) per share (sen)				
Continuing Operations	4.35	2.07	11.32	1.28
Discontinued Operations	(1.10)	(3.96)	0.08	1.23
	<u>3.25</u>	<u>(1.89)</u>	<u>11.41</u>	<u>2.51</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**

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad's Main Market Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

	Cumulative Quarter	
	30/09/2015 RM'000	30/09/2014 RM'000
Retained earnings		
Realised	16,350	16,018
Unrealised	(56)	1,021
	<u>16,294</u>	<u>17,039</u>
Less: Consolidation adjustments	(495)	(16,058)
Group's retained earnings	<u>15,799</u>	<u>981</u>



**B14. Profit for the period**

	Individual Quarter		Cumulative Quarter	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Interest income	(96)	-	(374)	(3)
Interest expense	42	223	340	223
Amortisation of intangible assets	13	-	37	-
Depreciation of property, plant and equipment	77	41	207	67
Dilution of interest in a subsidiary	-	89	-	89
Fair value adjustment on investment properties	-	173	-	173
Gain on disposal of plant and equipment	(3)	-	(3)	-
Impairment on goodwill	-	18	-	18
Loss on cash in transit	7	-	7	-
Negative goodwill written off	(324)	-	(324)	-
<b>Discontinued Operations</b>				
Interest income	(15)	(38)	(45)	(60)
Interest expense	20	38	88	155
Depreciation of property, plant and equipment	223	170	668	507
(Gain)/Loss on foreign exchange - realised	(27)	593	(64)	493
Gain on foreign exchange - unrealised	(140)	(1,084)	(766)	(975)

**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 26 November 2015.