



**Interim Financial Statement
For the Financial Year Ended 31 December 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 Year Ended 31 December 2015**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.12.2015</u>	<u>31.12.2014</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Continuing Operations				
Revenue	9,322	23,365	33,296	37,842
Cost of sales	(5,205)	(8,327)	(9,458)	(12,853)
Gross Profit	4,117	15,038	23,838	24,989
Other operating income	6,991	10	7,343	42
Administrative and general expenses	(1,305)	(5,763)	(12,386)	(12,784)
Sales and marketing expenses	(509)	(326)	(2,176)	(1,203)
Profit from operations	9,294	8,959	16,619	11,044
Interest income	97	15	471	18
Interest expense	8	(19)	(332)	(242)
Profit before taxation	9,399	8,955	16,758	10,820
Tax expense	(927)	(2,433)	(2,055)	(2,962)
Profit after taxation from Continuing Operations	8,472	6,522	14,703	7,858
Discontinued Operations				
Profit after taxation from Discontinued Operations	-	927	44	1,495
Profit after taxation	8,472	7,449	14,747	9,353
Attributable to:				
Owners of the parent	5,224	8,035	11,345	9,195
Non-controlling interests	3,248	(586)	3,402	158
	8,472	7,449	14,747	9,353
Basic earnings per share attributable to equity holders of the parent:				
Continuing Operations	9.42	15.20	20.38	16.47
Discontinued Operations	-	1.98	0.08	3.20
	9.42	17.18	20.46	19.67

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

(Incorporated in Malaysia)

(Company no: 484964-H)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2015**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM '000	RM '000	RM '000	RM '000
Profit after taxation for the period	8,472	7,449	14,747	9,353
Other comprehensive income				
Item that may not be subsequently reclassified to profit or loss	-	-	-	-
Total comprehensive income	<u>8,472</u>	<u>7,449</u>	<u>14,747</u>	<u>9,353</u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	5,224	8,035	11,345	9,195
Non-controlling interests	3,248	(586)	3,402	158
	<u>8,472</u>	<u>7,449</u>	<u>14,747</u>	<u>9,353</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 Year Ended 31 December 2015**

	AS AT 31.12.2015 RM' 000 Unaudited	AS AT 31.12.2014 RM' 000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	2,211	21,104
Investment property	28,000	27,930
Intangible assets	651	700
Goodwill	350	-
	<u>31,212</u>	<u>49,734</u>
Current assets		
Inventories	59,609	15,450
Trade receivables	21,017	37,385
Other receivables, deposits and prepayments	2,153	3,071
Tax recoverable	372	367
Short term fund	15,599	19,015
Short term deposits with licensed banks	-	16,910
Cash and bank balances	1,266	5,937
	<u>100,016</u>	<u>98,135</u>
TOTAL ASSETS	<u>131,228</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
Retained earnings	21,023	7,069
	<u>102,054</u>	<u>90,709</u>
Non-controlling interests	<u>5,298</u>	<u>1,846</u>
Total equity	<u>107,352</u>	<u>92,555</u>
Non-current liabilities		
Deferred tax liabilities	406	1,737
Long term borrowings	13,311	9,135
	<u>13,717</u>	<u>10,872</u>
Current liabilities		
Trade payables	1,393	10,995
Other payables and accruals	8,175	27,818
Short term borrowings	84	5,071
Taxation	507	558
	<u>10,159</u>	<u>44,442</u>
Total liabilities	<u>23,876</u>	<u>55,314</u>
TOTAL EQUITY AND LIABILITIES	<u>131,228</u>	<u>147,869</u>
Net assets per share attributable to equity holders of the Company (RM)	1.84	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)

(Company no: 484964-H)

**Unaudited Condensed Consolidation Statements of Changes in Equity
For the Financial Year Ended 31 December 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			
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	9,240	12,694	-	-	21,934	-	21,934
- Issuance of shares by subsidiaries to non-controlling interests	-	-	-	-	-	390	390
	9,240	12,694	-	-	21,934	390	22,324
Changes in a subsidiaries' ownership interests that do not result in a loss of control	-	-	-	(1,947)	(1,947)	(381)	(2,328)
Total transactions with owners	9,240	12,694	-	(1,947)	19,987	9	19,996
Total comprehensive income	-	-	-	9,195	9,195	158	9,353
As at 31 December 2014	55,440	25,591	2,609	7,069	90,709	1,846	92,555
As at 1 Jan 2015	55,440	25,591	2,609	7,069	90,709	1,846	92,555
Total comprehensive income	-	-	-	11,345	11,345	3,402	14,747
Changes in subsidiaries' ownership interest	-	-	(2,609)	2,609	-	-	-
Acquisition of a subsidiary company	-	-	-	-	-	50	50
As at 31 December 2015	55,440	25,591	-	21,023	102,054	5,298	107,352

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 Year Ended 31 December 2015

	<u>Cumulative Quarter</u>	
	31.12.2015	31.12.2014
	RM' 000	RM' 000
Profit before taxation		
Continuing Operations	16,758	10,820
Discontinued Operations	2,053	1,271
	<u>18,811</u>	<u>12,091</u>
<u>Adjustments for :</u>		
Non-cash items	1,401	2,988
Non-operating items	(7,795)	(1,452)
Total adjustment	<u>(6,394)</u>	<u>1,536</u>
Operating cash flow before changes in working capital	12,417	13,627
<u>Changes in working capital</u>		
Changes in inventories	(7,263)	7,194
Changes in trade and other receivables	7,240	(23,525)
Changes in trade and other payables	11,131	2,059
Total changes in working capital	<u>11,108</u>	<u>(14,272)</u>
Cash flow from/(used in) operations	23,525	(645)
Interest paid	(332)	(476)
Tax paid	(2,241)	(4,417)
Tax refund	-	1,196
Net cash flows from/(used in) operating activities	<u>20,952</u>	<u>(4,342)</u>
<u>Investing activities</u>		
Interest received	471	97
Acquisition of subsidiaries, net of cash and cash equivalents	(30,412)	73
Additional investment in a subsidiary	-	(2,328)
Increase in intangible assets	-	(726)
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	(1,882)	(1,134)
Upliftment of short term investment	-	1,449
Net cash flows used in investing activities	<u>(33,318)</u>	<u>(2,569)</u>
<u>Financing activities</u>		
Issuance of shares to non-controlling interest	-	390
Proceeds from issuance of ordinary shares	-	21,934
Repayment to bankers acceptance	-	(2,999)
Repayment of finance leases	(475)	(226)
(Repayment)/Drawdown of term loans	(12,104)	11,929
Net cash flows (used in)/from financing activities	<u>(12,579)</u>	<u>31,028</u>
Net (decrease)/increase in cash and cash equivalents	(24,945)	24,117
Effect of exchange rate changes	-	963
Cash and cash equivalents at beginning of year	41,810	16,730
	<u>16,865</u>	<u>41,810</u>
<u>Composition of cash and cash equivalents:</u>		
Short term fund	15,599	19,015
Short term deposits with licensed banks	-	16,910
Cash & bank balances	1,266	5,937
	16,865	41,862
Less: Deposits pledged to licensed banks	-	(52)
Cash and cash equivalents at end of period	<u>16,865</u>	<u>41,810</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

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(Company no: 484964-H)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	-	5,174	14,470	29,812
Cost of sales	-	(3,847)	(10,367)	(24,419)
Gross Profit/(Loss)	-	1,327	4,103	5,393
Other operating income	-	1,455	1,016	1,649
Administrative and general expenses	-	(2,317)	(2,597)	(5,303)
Sales and marketing expenses	-	727	(426)	(313)
Profit/(Loss) from operations	-	1,192	2,096	1,426
Interest income	-	19	45	79
Interest expense	-	(79)	(88)	(234)
Profit/(Loss) before taxation	-	1,132	2,053	1,271
Tax expense	-	(205)	(544)	224
Profit/(Loss), net of tax	-	927	1,509	1,495
Loss on sale of Discountined Operations	-	-	(1,465)	-
(Loss)/Profit, net of tax from Discontinued Operations	-	927	44	1,495

Assets and liabilities of disposal group classified as held for sale as at 31 December 2015 are as follows:

	As at 31.12.2015 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	117
Cash and cash equivalents	36,045
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	15,393
Net cash from investing activities	(1,518)
Net cash from financing activities	(13,554)
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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
Results for 3 months ended 31 December 2015					
<u>Revenue</u>					
External	8,559	704	59		9,322
Inter-segment	1,671	2	161	(1,834)	-
	<u>10,230</u>	<u>706</u>	<u>220</u>	<u>(1,834)</u>	<u>9,322</u>
<u>Results</u>					
Results before the following adjustments	2,152	(216)	214	304	2,454
Amortisation of intangible asset	-	(12)	-		(12)
Depreciation of plant and equipment	(49)	(95)	(1)		(145)
Fair value gain on revaluation	7,000	-	-		7,000
Gain on disposal of plant and equipment	-	(3)	-		(3)
Segment results	<u>9,103</u>	<u>(326)</u>	<u>213</u>	<u>304</u>	<u>9,294</u>
Interest income	(5)	-	102		97
Finance costs	8	-	-		8
Income tax expense	(927)	-	-		(927)
Consolidated profit/(loss) after taxation	<u>8,179</u>	<u>(326)</u>	<u>315</u>	<u>304</u>	<u>8,472</u>

A8. Segmental Information (Cont'd)

	Properties RM'000	Food RM'000	Others RM'000	Elimination RM'000	Total RM'000
Results for 3 months ended 31 December 2014					
<u>Revenue</u>					
External	23,165	329	(129)		23,365
Inter-segment	2,148	22	1,751	(3,921)	-
	25,313	351	1,622	(3,921)	23,365
<u>Results</u>					
Results before the following adjustments	8,185	36	(20)	1,030	9,231
Amortisation of intangible asset	-	(26)	-		(26)
Depreciation of property, plant and equipment	(34)	(28)	-	(184)	(246)
Segment results	8,151	(18)	(20)	846	8,959
Interest income	-	-	15		15
Finance costs	(19)	-	-		(19)
Income tax expense	(2,509)	-	76		(2,433)
Consolidated profit/(loss) after taxation	5,623	(18)	71	846	6,522
Results for 12 months ended 31 December 2015					
<u>Revenue</u>					
External	31,645	1,522	129		33,296
Inter-segment	7,645	15	1,348	(9,008)	-
	39,290	1,537	1,477	(9,008)	33,296
<u>Results</u>					
Results before the following adjustments	10,907	(731)	(746)	941	10,371
Amortisation of intangible asset	-	(49)	-		(49)
Depreciation of plant and equipment	(172)	(177)	(4)	(667)	(1,020)
Loss on cash in transit	-	(7)	-		(7)
Fair value gain on revaluation	7,000	-	-		7,000
Negative goodwill written off	324	-	-		324
Segment results	18,059	(964)	(750)	274	16,619
Interest income	15	-	456		471
Finance costs	(332)	-	-		(332)
Income tax expense	(2,055)	-	-		(2,055)
Consolidated profit/(loss) after taxation	15,687	(964)	(294)	274	14,703

A8. Segmental Information (Cont'd)

	Properties RM'000	Food RM'000	Others RM'000	Elimination RM'000	Total RM'000
Results for 12 months ended 31 December 2014					
Revenue					
External	37,348	457	37		37,842
Inter-segment	2,904	22	1,786	(4,712)	-
	<u>40,252</u>	<u>479</u>	<u>1,823</u>	<u>(4,712)</u>	<u>37,842</u>
Results					
Results before the following adjustments	12,861	(263)	(1,377)	689	11,910
Amortisation of intangible asset	-	(27)	-		(27)
Depreciation of property, plant and equipment	(77)	(47)	(5)	(691)	(820)
Impairment on goodwill	-	-	(19)		(19)
Segment results	<u>12,784</u>	<u>(337)</u>	<u>(1,401)</u>	<u>(2)</u>	<u>11,044</u>
Interest income	-	-	18		18
Finance costs	(242)	-	-		(242)
Income tax expense	<u>(2,998)</u>	<u>-</u>	<u>36</u>		<u>(2,962)</u>
Consolidated profit/(loss) after taxation	<u>9,544</u>	<u>(337)</u>	<u>(1,347)</u>	<u>(2)</u>	<u>7,858</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

- On 4 September 2015, HCK Properties acquired 30,732,451 ordinary shares of RM1 each representing 100% equity interest in Equal Straits Sdn. Bhd., for a total cash consideration of RM30,000,000 from a related party;
- On 14 September 2015, the Company disposed of its wholly-owned subsidiaries, Golsta Sdn. Bhd. to third party for a total cash consideration of RM34,475,159. These disposals did not have any financial impact to the Group's financial results;
- On 7 December 2015, HCK Properties acquired 2 ordinary shares of RM1 each representing 100% equity interest in Aspen Entity Sdn. Bhd. ("Aspen Entity"), for a total cash consideration of RM2 from the Company; and
- On 9 December 2015, Aspen Entity had entered into a conditional Share Sale Agreement ("SSA") with a third party to acquire 400,000 ordinary shares of RM1 each representing 100% equity interest in Oscar Springs Development Sdn. Bhd., for a total purchase consideration of RM1,500,000. Simultaneously on signing of the SSA and the partial payment of the purchase consideration to the third party, the transfer of the 300,000 ordinary shares representing 75% hold by Aspen Entity, the remaining balance of 100,000 ordinary shares representing 25% shall be upon fulfillment of all conditions of the SSA.

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 YEAR ENDED 31 DECEMBER 2015

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

B1. Review of performance

For the current financial year under review, the Group achieved a revenue of RM33.3 million which is lower by RM4.5 million in comparison to the corresponding financial year. The higher revenue in the corresponding financial year was contributed by the sales and delivery of retail units.

The Group achieved a higher profit before tax ("PBT") in the current financial year of RM16.8 million as compared to PBT of RM10.8 million in the corresponding financial year mainly due to a fair value gain of RM7.0 million on the Group's Investment Property.

B2. Comment on financial results (current quarter compared with the preceding quarter)

	3 months ended	
	31/12/2015	30/09/2015
	RM'000	RM'000
Revenue	9,322	7,729
Profit before taxation	9,399	2,307

The Group recorded a higher PBT of RM9.4 million for the current quarter under review compared to a PBT of RM2.3 million in the preceding quarter mainly due to a fair value gain of RM7.0 million on the Group's Investment Property.

B3. Future Prospects

The Malaysian property market is generally affected by the financial institutions' stricter lending requirements 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 results given the strategic location of its projects and its innovative sales and marketing strategies.

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	
	31.12.2015 RM '000	31.12.2014 RM '000	31.12.2015 RM '000	31.12.2014 RM '000
Continuing Operations				
Current income tax				
- Malaysia income tax	577	2,433	1,705	2,962
Deferred taxation				
- Recognition of fair value gain on investment properties	350	-	350	-
	927	2,433	2,055	2,962
Discontinued Operations				
Current income tax				
- Malaysia income tax	-	395	544	395
- Over provision in prior year	-	(228)	-	(401)
	-	167	544	(6)
Deferred taxation				
- Current financial year	-	(109)	-	(109)
- Over provision in prior year	-	147	-	(109)
	-	38	-	(218)
Total for discontinued operations	-	205	544	(224)
	927	2,638	2,599	2,738

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 23 February 2016, 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	10,078	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%
	22,176	18,546		-	0%

B7. Status of Corporate Proposals (Cont'd)

ii) The Group had 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 31 December 2015 are as follows:

	31/12/2015	31/12/2014
	RM'000	RM'000
a) Current (secured)		
- Hire purchases	84	369
- Term loans	-	4,702
	<hr/>	<hr/>
	84	5,071
b) Non-current (secured)		
- Hire purchases	267	908
- Term loans	13,044	8,227
	<hr/>	<hr/>
	13,311	9,135
	<hr/>	<hr/>
	13,395	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 per share

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

	Individual Quarter		Cumulative Quarter	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Profit/(Loss) attributable to ordinary equity owners of the parent (RM'000)				
Continuing Operations	5,224	7,108	11,301	7,700
Discontinued Operations	-	927	44	1,495
	<u>5,224</u>	<u>8,035</u>	<u>11,345</u>	<u>9,195</u>
Weighted average number of ordinary shares in issue ('000)	55,440	46,757	55,440	46,757
Basic earnings/(loss) per share (sen)				
Continuing Operations	9.42	15.20	20.38	16.47
Discontinued Operations	-	1.98	0.08	3.20
	<u>9.42</u>	<u>17.18</u>	<u>20.46</u>	<u>19.67</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	
	31/12/2015 RM'000	31/12/2014 RM'000
Retained earnings		
Realised	17,518	21,499
Unrealised	6,944	2,135
	<u>24,462</u>	<u>23,634</u>
Less: Consolidation adjustments	(3,439)	(16,565)
Group's retained earnings	<u>21,023</u>	<u>7,069</u>

B14. Profit for the period

	Individual Quarter		Cumulative Quarter	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Interest income	(97)	(15)	(471)	(18)
Interest expense	(8)	19	332	242
Amortisation of intangible assets	12	26	49	26
Depreciation of property, plant and equipment	145	62	353	129
Fair value gain on revaluation	7,000	-	7,000	-
Gain on disposal of plant and equipment	3	-	-	-
Impairment on goodwill	-	1	-	19
Loss on cash in transit	-	-	7	-
Negative goodwill written off	-	-	(324)	-
Discontinued Operations				
Interest income	-	(19)	(45)	(79)
Interest expense	-	79	88	234
Bad debts written off	-	7	-	7
Deposits paid for extraction right forfeited	-	374	-	374
Depreciation of property, plant and equipment	-	184	667	691
Impairment loss on trade receivables	-	1,266	-	1,266
(Gain)/Loss on foreign exchange - realised	-	(256)	(64)	237
Loss/(Gain) on foreign exchange - unrealised	-	16	(766)	(959)

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 23 February 2016.