



HCK CAPITAL GROUP BERHAD

(484964-H)

**Interim Financial Statement
For the Financial Year Ended 31 March 2019**

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 March 2019**

	Note	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		<u>31.03.2019</u>	<u>31.03.2018</u>	<u>31.03.2019</u>	<u>31.03.2018</u>
		<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Revenue		6,292	9,507	6,292	9,507
Cost of sales		(426)	(3,358)	(426)	(3,358)
Gross Profit		5,866	6,149	5,866	6,149
Other operating income		1	4	1	4
Administrative and general expenses		(4,381)	(4,529)	(4,381)	(4,529)
Sales and marketing expenses		(258)	(122)	(258)	(122)
Profit from operations		1,228	1,502	1,228	1,502
Interest income		37	35	37	35
Interest expense		(1,139)	(1,425)	(1,139)	(1,425)
Share of results in associates, net of tax		-	(8)	-	(8)
Profit before taxation	B13	126	104	126	104
Tax expense	B6	(48)	-	(48)	-
Profit after taxation		78	104	78	104
Attributable to:					
Owners of the parent		205	224	205	224
Non-controlling interests		(127)	(120)	(127)	(120)
		78	104	78	104
Earning per share					
- Basic		0.05	0.05	0.05	0.05
- Diluted		0.04	0.05	0.04	0.05

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 financial year ended 31 December 2018 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 March 2019**

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.03.2019</u>	<u>31.03.2018</u>	<u>31.03.2019</u>	<u>31.03.2018</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Profit after taxation for the period	78	104	78	104
Other comprehensive income				
Item that may not be subsequently reclassified to profit or loss	-	-	-	-
Total comprehensive income	<u>78</u>	<u>104</u>	<u>78</u>	<u>104</u>
Total comprehensive income attributable to:				
Owners of the parent	205	224	205	224
Non-controlling interests	(127)	(120)	(127)	(120)
	<u>78</u>	<u>104</u>	<u>78</u>	<u>104</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 financial year ended 31 December 2018 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

As at 31 March 2019

		AS AT 31.03.2019 RM' 000	AS AT 31.12.2018 RM' 000
	Note	Unaudited	Audited
ASSETS			
Non-current assets			
Property, plant and equipment		37,537	37,727
Land held for property development		85,542	61,315
Investment property		55,000	55,000
Investment in associates		-	-
Goodwill		4,454	4,454
Intangible assets		658	524
		<u>183,191</u>	<u>159,020</u>
Current assets			
Inventories		224,226	224,247
Property development costs		39,759	34,764
Trade and other receivables		31,120	16,748
Contract assets		-	3,262
Current tax assets		1,506	1,507
Short term fund		5	5
Fixed deposit with a licensed bank		4,095	4,064
Cash and bank balances		1,444	3,368
		<u>302,155</u>	<u>287,965</u>
TOTAL ASSETS		<u>485,346</u>	<u>446,985</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		153,410	84,437
Share premium		-	68,890
Warrants reserve		10,515	10,519
Retained earnings		34,908	34,703
		<u>198,833</u>	<u>198,549</u>
Non-controlling interests		6,599	6,726
Total equity		<u>205,432</u>	<u>205,275</u>
Non-current liabilities			
Deferred tax liabilities		5,077	5,077
Trade and other payables		22,974	22,974
Long term borrowings	B8	152,475	143,738
		<u>180,526</u>	<u>171,789</u>
Current liabilities			
Trade and other payables		62,946	35,169
Contract liabilities		17,541	14,228
Short term borrowings	B8	18,901	20,524
		<u>99,388</u>	<u>69,921</u>
Total liabilities		<u>279,914</u>	<u>241,710</u>
TOTAL EQUITY AND LIABILITIES		<u>485,346</u>	<u>446,985</u>
Net assets per share attributable to owners of the parent (RM)		<u>0.47</u>	<u>0.47</u>

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 March 2019

	← Attributable to Owners of the Parent →				Total	Non-Controlling Interests	Total Equity
	Non-Distributable		Distributable				
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Retained Earnings RM'000			
As at 1 January 2018	84,234	68,938	10,529	27,821	191,522	12,300	203,822
Contributions by and distributions to owners of the Company:							
- Conversions of warrants	193	-	-	-	193	-	193
- Dividends:							
- by a subsidiary to non-controlling interests	-	-	-	-	-	(10,805)	(10,805)
- Expenses related to conversion of warrants	-	(48)	-	-	(48)	-	(48)
- Issuance of shares by subsidiaries	-	-	-	-	-	841	841
Total transactions with owners	193	(48)	-	-	145	(9,964)	(9,819)
Transfer of share capital upon conversion of warrant	10	-	(10)	-	-	-	-
Total comprehensive income	-	-	-	6,882	6,882	4,390	11,272
As at 31 December 2018	<u>84,437</u>	<u>68,890</u>	<u>10,519</u>	<u>34,703</u>	<u>198,549</u>	<u>6,726</u>	<u>205,275</u>
As at 1 January 2019	84,437	68,890	10,519	34,703	198,549	6,726	205,275
Conversion of warrants	79	-	-	-	79	-	79
Transfer to share capital upon conversion of warrant	4	-	(4)	-	-	-	-
Transfer from share premium in accordance with Section 618 (2) of the Companies Act 2016	68,890	(68,890)	-	-	-	-	-
Total comprehensive income	-	-	-	205	205	(127)	78
As at 31 March 2019	<u>153,410</u>	<u>-</u>	<u>10,515</u>	<u>34,908</u>	<u>198,833</u>	<u>6,599</u>	<u>205,432</u>

The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 March 2019**

	Cumulative Quarter	
	31.03.2019	31.03.2018
	RM' 000	RM' 000
Profit before taxation	126	104
<u>Adjustments for :</u>		
Non-cash items	209	215
Non-operating items	1,102	1,390
Total adjustments	1,311	1,605
Operating cash flow before changes in working capital	1,437	1,709
<u>Changes in working capital</u>		
Changes in inventories	21	6
Changes in project development costs	(29,222)	(1,470)
Changes in trade and other receivables	(7,814)	5,949
Changes in trade and other payables	22,718	(1,532)
Total changes in working capital	(14,297)	2,953
Cash flow (used in)/from operations	(12,860)	4,662
Interest paid	-	(1,425)
Tax paid	(46)	(103)
Net cash flows (used in)/from operating activities	(12,906)	3,134
<u>Investing activities</u>		
Interest received	37	35
Withdrawal of short-term deposit pledged to a licensed bank	-	(31)
Purchase of property and equipment	(6)	(11)
Purchase of intangible assets	(147)	-
Placement of short-term deposit pledged to a licensed bank	(32)	-
Net cash flows used in investing activities	(148)	(7)

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

(Company no: 484964-H)

**Unaudited Condensed Consolidated Statement of Cash Flow
For the Financial Year Ended 31 March 2019**

	Cumulative Quarter	
	31.03.2019	31.03.2018
	RM' 000	RM' 000
<u>Financing activities</u>		
Proceeds from issuance of ordinary shares:-		
- pursuant to conversion of warrant	79	-
Corporate exercise expenses paid	-	(49)
Advance from / (Repayment to) directors	5,071	525
Net repayment of term loans	7,207	(3,141)
Repayment of hire purchases	(92)	(76)
Interest paid	(1,139)	-
Advance from related company	4	-
Net cash flows from/(used in) financing activities	11,130	(2,741)
Net (decrease)/increase in cash and cash equivalents	(1,924)	386
Cash and cash equivalents at beginning of year	3,373	4,225
	1,449	4,611
<u>Composition of cash and cash equivalents:</u>		
Short term fund	5	5
Cash and bank balances	1,444	4,606
Cash and cash equivalents at end of period	1,449	4,611

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

(Company no: 484964-H)

UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

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 2018 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 financial year ended 31 December 2018 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective from 1 January 2019, as disclosed below:

MFRSs and Amendments to MFRSs
MFRS 9: <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>
MFRS 15: <i>Revenue from Contracts with Customers</i>
Amendments to MFRS 1: <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>
Amendments to MFRS 2: <i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to MFRS 128: <i>Measuring an Associate or Joint Venture at Fair Value</i>
Amendments to MFRS 140: <i>Transfers of Investment Property</i>
IC Interpretation 22: <i>Foreign Currency Transactions and Advance</i>
Amendments to MFRS 4: <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>

The adoption of the all and above MFRSs and Amendments to MFRSs did not have any material 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
Amendments to MFRS 3: <i>Business Combinations (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>	01 January 2019
Amendments to MFRS 6: <i>Exploration for and Evaluation of Mineral Resources</i>	01 January 2020
Amendments to MFRS 9: <i>Prepayment Features with Negative Compensation</i>	01 January 2019
Amendments to MFRS 11: <i>Joint Arrangements (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>	01 January 2019
Amendment to MFRS 14: <i>Regulatory Deferral Accounts</i>	01 January 2020
MFRS 16: <i>Leases</i>	01 January 2019
Amendments to MFRS 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	01 January 2020
Amendments to MFRS 112: <i>Income Taxes (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>	01 January 2019
Amendments to MFRS 119: <i>Employee Benefits - Plan Amendment, Curtailment or Settlement</i>	
Amendments to MFRS 128: <i>Long-term Interests in Associates and Joint Ventures</i>	01 January 2019
Amendments to MFRS 123: <i>Borrowing Costs (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)</i>	01 January 2019

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation (Cont'd)**

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: (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretations (Cont'd)	Effective for financial periods beginning on or
Amendments to MFRS 134: <i>Interim Financial Reporting</i>	01 January 2020
Amendment to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets</i>	01 January 2020
Amendment to MFRS 138: <i>Intangible Assets</i>	01 January 2020
IC Interpretation 23: <i>Uncertainty over Income Tax Treatments</i>	01 January 2019
MFRS 17: <i>Insurance Contracts</i>	01 January 2021
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>	Deferred until further notice

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.

A2. Valuation of Property, Plant and Equipment and Investment Properties

There were no changes in the valuation on property, plant and equipment and investment properties during the current financial period under review.

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

For the current quarter under review, the Company issued of 81,900 new ordinary shares from the exercise of Warrants at the exercise price of RM0.96 per warrant amounting to RM78,624.

Save as disclosed above, there were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and financial period under review.

A7. Dividend Paid

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

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(Incorporated in Malaysia)

(Company no: 484964-H)

UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information**

	Properties RM'000	Others RM'000	Total RM'000
Results for 3 months ended 31 March 2019			
<u>Revenue</u>			
External	5,740	552	6,292
Inter-segment	3,177	970	4,147
	<u>8,917</u>	<u>1,522</u>	<u>10,439</u>
Consolidated adjustments and elimination			(4,147)
Consolidated revenue			<u>6,292</u>
<u>Results</u>			
Results before the following adjustments	3,193	(45)	3,148
Consolidated adjustments and elimination	(273)	(857)	(1,130)
Amortisation of intangible asset	-	(12)	(12)
Depreciation of property and equipment	(179)	(18)	(197)
Direct operating expenses on investment properties	(581)	-	(581)
Segment results	<u>2,160</u>	<u>(932)</u>	<u>1,228</u>
Interest income			37
Interest expense			(1,139)
Tax expense			(48)
Consolidated profit after taxation			<u>78</u>
	Properties RM'000	Others RM'000	Total RM'000
Results for 3 months ended 31 March 2018			
<u>Revenue</u>			
External	8,887	620	9,507
Inter-segment	1,200	895	2,095
	<u>10,087</u>	<u>1,515</u>	<u>11,602</u>
Consolidated adjustments and elimination			(2,095)
Consolidated revenue			<u>9,507</u>
<u>Results</u>			
Results before the following adjustments	2,930	(635)	2,295
Consolidated adjustments and elimination	6	-	6
Amortisation of intangible asset	(2)	(48)	(50)
Depreciation of equipment	(131)	(63)	(194)
Direct operating expenses on investment properties	(559)	-	(559)
Foreign exchange gain	-	4	4
Segment results	<u>2,244</u>	<u>(742)</u>	<u>1,502</u>
Interest income			35
Interest expense			(1,425)
Share of results in associates			(8)
Tax expense			-
Consolidated profit after taxation			<u>104</u>

HCK CAPITAL GROUP BERHAD

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(Company no: 484964-H)

UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information (Cont'd)**

	Properties RM'000	Others RM'000	Total RM'000
Segment assets and liabilities as at 31 March 2019			
<u>Assets</u>			
Segment assets	461,567	4,733	466,300
Tax recoverable	1,500	6	1,506
Consolidated total assets	<u>463,067</u>	<u>4,739</u>	<u>467,806</u>
<u>Liabilities</u>			
Segment liabilities	255,299	2,000	257,299
Deferred tax liabilities	5,077	-	5,077
Consolidated total liabilities	<u>260,376</u>	<u>2,000</u>	<u>262,376</u>
Segment assets and liabilities as at 31 March 2018			
<u>Assets</u>			
Segment assets	448,290	3,003	451,293
Tax recoverable	1,544	5	1,549
Consolidated total assets	<u>449,834</u>	<u>3,008</u>	<u>452,842</u>
<u>Liabilities</u>			
Segment liabilities	240,514	3,924	244,438
Deferred tax liabilities	4,527	-	4,527
Consolidated total liabilities	<u>245,041</u>	<u>3,924</u>	<u>248,965</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 January 2019, the Company announced that its indirect wholly owned subsidiary, HCK Education Sdn Bhd acquired 100% of equity interests in Peninsula Education (Ipoh) Sdn. Bhd. which is principally engaged in operating an international school for a total cash consideration of RM10,000.00.

A11. Changes in Contingent Assets and Contingent Liabilities

There were no other changes in contingent assets and contingent liabilities since the end of previous financial year.

A12. Capital Commitments

	As at 31/03/2019 RM'000
<u>Contracted but not provided for:</u>	
Purchase of leasehold lands	<u>52,780</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A13. Operating Lease Commitments**

	As at 31/03/2019 RM'000
(i) Leases as Lessee	
The future minimum lease payments under the non-cancellable operating leases are as follows:-	
Not more than 1 year	748
Later than 1 year and not later than 5 years	467
	<hr/> 1,215 <hr/>

(ii) Leases as Lessor

The Group has entered into a non-cancellable operating lease agreement with a non-controlling interest, in respect of the leases of the investment property. The lease has non-cancellable term of 3 years, with a renew option of 3 years included in the lease agreement, at the option of the lessee.

	As at 31/03/2019 RM'000
The future minimum lease payments under the non-cancellable operating leases are as follows:-	
Not more than 1 year	3,847
Later than 1 year and not later than 5 years	1,283
	<hr/> 5,130 <hr/>

A14. Related Party Transactions

	Current Quarter		Cumulative Quarter	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Rental expenses to a related party	-	9	-	9
Rental income from a non-controlling interest	962	962	962	962

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of performance****Current Quarter ended 31 March 2019**

For the current quarter under review, the Group recorded a revenue of RM6.29 million, which is RM3.21 million lower compared with the previous corresponding financial quarter due to the reduction of project management fee charge.

Current quarter's Profit Before Tax ("PBT") of RM0.126 million is slightly better as compared to PBT of RM0.104 million in the previous corresponding quarter due to the savings of staff costs and interest expenses in the current financial quarter.

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

	Current Quarter 31/03/2019 RM'000	Immediate Preceding Quarter 31/12/2018 RM'000	Changes
Revenue	6,292	17,366	> 100%
Profit Before Taxation ("PBT")	126	12,530	> 100%

The Group recorded a decline in revenue and PBT for the current quarter. The higher revenue and PBT in the immediate preceding quarter was due to higher project billings, disposal of property inventories and a fair value gain of RM11.0 million.

B3. Future Prospects

The Malaysian property market in the short term is affected by the financial institutions' stricter lending requirements and tightening of domestic liquidity conditions. Notwithstanding the challenges in Malaysian property market and economy, the Board is cautiously optimistic due to the market's growing confidence in the HCK brand related to creation of education cities.

In January 2019, the Group has taken over as developer of Remix 2 @ Subang Jaya and rebranded the development as Edumetro @ Subang Jaya. The Edumetro @ Subang Jaya together with the favourable take up rate of the Edusphere @ Cyberjaya's serviced apartments is expected to contribute positively to the Group's future earnings.

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.

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B6. Taxation**

	Current Quarter		Cumulative Quarter	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM '000	RM '000	RM '000	RM '000
Current income tax				
- for the financial period	48	-	48	-
Deferred tax liabilities				
- Recognition of fair value gain on investment properties	-	-	-	-
	<u>48</u>	<u>-</u>	<u>48</u>	<u>-</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 tax incentives giving and losses are available during the financial quarter.

B7. Status of Corporate Proposals

There was no corporate proposals proposed in the current financial quarter.

B8. Borrowings and Debt Securities

Details of Group's borrowings are as follows:

	As at 31 March 2019			As at 31 December 2018		
	Long term	Short term	Total	Long term	Short term	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Secured</u>						
Term loans	152,187	8,610	160,797	143,332	10,259	153,591
Revolving credit	-	10,000	10,000	-	10,000	10,000
Hire purchases	288	291	579	406	265	671
	<u>152,475</u>	<u>18,901</u>	<u>171,376</u>	<u>143,738</u>	<u>20,524</u>	<u>164,262</u>

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

The increase mainly due to term loan drawdown of RM9.49 million to fund project progress billing in the current quarter.

B9. Changes in Material litigation

There was no material litigation against the Group as at the reporting date.

B10. Proposed Dividend

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

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B11. Basic earning per Ordinary share**

	Current Quarter		Cumulative Quarter	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Profit after taxation attributable to ordinary Protequity owners of the parent (RM'000)	205	224	205	224
Weighted average number of ordinary shares in issue ('000)	421,387	421,170	421,387	421,170
Basic earning per share (sen)	0.05	0.05	0.05	0.05
Profit after taxation attributable to ordinary equity owners of the parent (RM'000)	205	224	205	224
Weighted average number of ordinary shares in issue ('000)	421,387	421,170	421,387	421,170
Shares deemed to issued for no consideration ('000) - warrants	48,790	46,226	48,790	46,226
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	470,177	467,396	470,177	467,396
Diluted earning per share (sen)	0.04	0.05	0.04	0.05

B12. Auditors' report on preceding annual financial statement

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not qualified.

B13. Profit Before Taxation

	Current Quarter		Cumulative Quarter	
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
This is arrived at after charging/(crediting):				
Interest income	(37)	(35)	(37)	(35)
Interest expense	1,139	1,425	1,139	1,425
Amortisation of intangible assets	12	12	12	12
Depreciation of property, plant and equipment	197	194	197	194