



HCK CAPITAL GROUP BERHAD
(484964-H)

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

	Note	Current Quarter		Cumulative Quarter	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
		RM '000	RM '000	RM '000	RM '000
Revenue		45,001	17,366	90,367	38,320
Cost of sales		(29,588)	(12,608)	(51,790)	(17,032)
Gross Profit		15,413	4,758	38,577	21,288
Other operating income		139	13,421	364	13,796
Administrative and general expenses		(5,513)	(3,992)	(17,065)	(16,018)
Sales and marketing expenses		(1,837)	(293)	(3,262)	(1,781)
Profit from operations		8,202	13,894	18,614	17,285
Interest income		3	2	175	63
Interest expense		(2,172)	(1,366)	(6,813)	(4,793)
Share of results in associates, net of tax		-	-	-	(11)
Profit before taxation	B13	6,033	12,530	11,976	12,544
Tax expense	B6	(4,349)	(1,186)	(5,242)	(1,186)
Profit after taxation		1,684	11,344	6,734	11,358
Attributable to:					
Owners of the parent		1,982	6,280	6,906	6,641
Non-controlling interests		(298)	5,064	(172)	4,717
		1,684	11,344	6,734	11,358
Earning per share (Sen)					
- Basic		0.47	1.49	1.64	1.58
- Diluted		0.42	1.33	1.47	1.41

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 December 2019**

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.12.2019</u>	<u>31.12.2018</u>	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Profit after taxation for the period	1,684	11,344	6,734	11,358
Other comprehensive income				
Item that may not be subsequently reclassified to profit or loss	-	-	-	-
Total comprehensive income	<u>1,684</u>	<u>11,344</u>	<u>6,734</u>	<u>11,358</u>
Total comprehensive income attributable to:				
Owners of the parent	1,982	6,280	6,906	6,641
Non-controlling interests	(298)	5,064	(172)	4,717
	<u>1,684</u>	<u>11,344</u>	<u>6,734</u>	<u>11,358</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 December 2019**

	AS AT 31.12.2019 RM' 000 Unaudited	AS AT 31.12.2018 RM' 000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	436	37,727
Land held for property development	129,399	61,315
Investment property	55,000	55,000
Goodwill	4,470	4,454
Intangible assets	620	524
Right of use asset	41,089	-
	231,014	159,020
Current assets		
Inventories	216,577	224,247
Property development costs	65,012	34,764
Trade and other receivables	56,527	16,748
Contract assets	34,032	3,262
Current tax assets	4	1,507
Short term fund	5	5
Fixed deposit with a licensed bank	4,193	4,064
Cash and bank balances	5,702	3,368
	382,052	287,965
TOTAL ASSETS	613,066	446,985
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	154,983	84,437
Share premium	-	68,890
Warrants reserve	10,437	10,519
Share option reserve	1,059	-
Retained earnings	41,609	34,703
	208,088	198,549
Non-controlling interests	6,855	6,726
Total equity	214,943	205,275
Non-current liabilities		
Deferred tax liabilities	6,777	5,077
Trade and other payables	24,953	22,974
Lease liabilities - right of use	1,439	-
Long term borrowings	B8 197,485	143,738
	230,654	171,789
Current liabilities		
Trade and other payables	89,832	35,169
Contract liabilities	20,937	14,228
Current tax liabilities	1,918	-
Advances due to shareholder	24,000	-
Lease liabilities - right of use	1,879	-
Short term borrowings	B8 28,903	20,524
	167,469	69,921
Total liabilities	398,123	241,710
TOTAL EQUITY AND LIABILITIES	613,066	446,985
Net assets per share attributable to owners of the parent (RM)	0.49	0.47

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

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**Unaudited Condensed Consolidation Statements of Changes in Equity
For the Financial Year Ended 31 December 2019**

	← Attributable to Owners of the Parent →							Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable			Total RM'000		
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve 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	84,437	68,890	-	10,519	34,703	198,549	6,726	205,275	
As at 1 January 2019	84,437	68,890	-	10,519	34,703	198,549	6,726	205,275	
Conversion of warrants	1,574	-	-	-	-	1,574	-	1,574	
Transfer to share capital upon conversion of warrant	82	-	-	(82)	-	-	-	-	
Transfer from share premium in accordance with Section 618 (2) of the Companies Act 2016	68,890	(68,890)	-	-	-	-	-	-	
Share based payment transactions	-	-	1,059	-	-	1,059	-	1,059	
Disposal of the subsidiaries	-	-	-	-	-	-	301	301	
Total comprehensive income	-	-	-	-	6,906	6,906	(172)	6,734	
As at 31 December 2019	154,983	-	1,059	10,437	41,609	208,088	6,855	214,943	

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 December 2019**

	<u>Cumulative Quarter</u>	
	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>RM' 000</u>	<u>RM' 000</u>
Profit before taxation	11,976	12,544
<u>Adjustments for :</u>		
Non-cash items	4,619	(12,468)
Non-operating items	6,638	4,730
Total adjustments	11,257	(7,738)
Operating cash flow before changes in working capital	23,233	4,806
<u>Changes in working capital</u>		
Changes in inventories	7,670	7,395
Changes in project development costs	(113,539)	(9,673)
Changes in trade and other receivables	(63,681)	14,117
Changes in trade and other payables	64,338	3,784
Total changes in working capital	(105,212)	15,623
Cash flow (used in)/from operations	(81,979)	20,429
Tax paid	(121)	(698)
Net cash flows (used in)/from operating activities	(82,100)	19,731
<u>Investing activities</u>		
Interest received	175	63
Addition to property, plant and equipment	(2,719)	(22)
Addition intangible assets	(147)	-
Proceeds from disposal of property, plant and equipment	22	205
Placement of short-term deposit pledged to a licensed bank	(129)	(3,031)
Net cash flows used in investing activities	(2,798)	(2,785)

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Unaudited Condensed Consolidated Statement of Cash Flow (Cont'd)**For the Financial Year Ended 31 December 2019**

	Cumulative Quarter	
	31.12.2019	31.12.2018
	RM' 000	RM' 000
<u>Financing activities</u>		
Proceeds from issuance of ordinary shares:-		
- pursuant to conversion of warrant	1,574	209
Corporate exercise expenses paid	-	(49)
Proceeds from issuance of shares to non-controlling interest	-	810
Dividend paid to non-controlling interest	-	(10,805)
Advance from / (Repayment) to directors	7,812	5,358
Advance from / (Repayment) to shareholder	24,000	-
Advance from related company	-	196
Net drawdown/(repayment) of bank borrowings	62,797	(7,243)
Repayment of lease liabilities	(2,138)	-
Repayment of hire purchases	-	(353)
Interest Paid	(6,813)	(4,793)
Advance from /(Repayment) to associate company	-	(1,186)
Net cash flows from/(used in) financing activities	87,232	(17,856)
Net increase/(decrease) in cash and cash equivalents	2,334	(910)
Cash and cash equivalents at beginning of year	3,373	4,225
	5,707	3,315
<u>Composition of cash and cash equivalents:</u>		
Short term fund	5	-
Cash and bank balances	5,702	3,315
Cash and cash equivalents at end of period	5,707	3,315

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)

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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/or IC Interpretations (Including The Consequential Amendment)
MFRS 16: Leases
IC Interpretation 23 Uncertainty Over Income Tax Treatments
MFRS 9: <i>Prepayment Features with Negative Compensation</i>
Amendments to MFRS 119: Plant Amendment, Curtailment or Settlement
Amendments to MFRS 128: <i>Measuring an Associate or Joint Venture at Fair Value</i>
Annual Improvements to MFRS Standards 2015 - 2017 Cycles

The adoption of the above accounting standards amendments have no material impact on the Group's financial statements except as follows:-

MFRS16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. MFRS 16 requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months whereby the right-of-use assets are subject depreciation and the interest on lease liabilities are calculated using the effective interest method. For a lessor, MFRS 16 continues to allow the lessor to classify its leases as either operating leases or finance leases and to account them differently. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are disclosed in the following:-

	Right-of-use asset RM('000)	Lease liabilities RM('000)
As at 01 January 2019	44,040	3,430
Additions	200	840
Reclassification	(1,402)	-
Depreciation	(1,349)	-
Interest expense	-	214
Payments	-	(1,166)
As at 31 December 2019	<u>41,489</u>	<u>3,318</u>

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
MFRS 17 Insurance Contracts	01 January 2021
Amendments to MFRS 3: Definition of a Business	01 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	01 January 2020

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 101 and MFRS 108: Definition of Material	01 January 2020
Amendment to References to the Conceptual Framework in MFRS Standards	01 January 2020

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

Save for the following, there were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and financial period under review:

- (a) Issuance of 689,100 new ordinary shares from the exercise of Warrants as the exercise price of RM0.96 per warrant amounting to RM661,536.
- (b) Issuance of 44,200 new ordinary shares from the Share Grant Plan ("SGP") under the Long Term Incentive Plan ("LTIP") at the issued price of RM1.22 per shares.

A7. Dividend Paid

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

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 December 2019			
<u>Revenue</u>			
External	44,418	583	45,001
Inter-segment	10,658	2,191	12,849
	<u>55,076</u>	<u>2,774</u>	<u>57,850</u>
Consolidated adjustments and elimination			(12,849)
Consolidated revenue			<u>45,001</u>
<u>Results</u>			
Results before the following adjustments	14,273	156	14,429
Consolidated adjustments and elimination	(4,705)	(128)	(4,833)
Amortisation of intangible asset	-	(13)	(13)
Depreciation of property and equipment	(472)	(326)	(798)
Direct operating expenses on investment properties	(583)	-	(583)
Segment results	<u>8,513</u>	<u>(311)</u>	8,202
Interest income			3
Interest expense			(2,172)
Tax Expense			(4,349)
Consolidated profit after taxation			<u>1,684</u>
Results for 3 months ended 31 December 2018			
<u>Revenue</u>			
External	16,369	997	17,366
Inter-segment	1,200	940	2,140
	<u>17,569</u>	<u>1,937</u>	<u>19,506</u>
Consolidated adjustments and elimination			(2,140)
Consolidated revenue			<u>17,366</u>
<u>Results</u>			
Results before the following adjustments	3,016	576	3,592
Consolidated adjustments and elimination	1,224	(1,271)	(47)
Amortisation of intangible asset	-	(12)	(12)
Depreciation of property and equipment	(366)	(19)	(385)
Direct operating expenses on investment properties	(254)	-	(254)
Fair value gain on investment properties	11,000	-	11,000
Segment results	<u>14,620</u>	<u>(726)</u>	13,894
Interest income			2
Interest expense			(1,366)
Share of results in associates			(1,186)
Consolidated profit after taxation			<u>11,344</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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
Results for 12 months ended 31 December 2019			
<u>Revenue</u>			
External	88,230	2,137	90,367
Inter-segment	18,458	5,187	23,645
	<u>106,688</u>	<u>7,324</u>	114,012
Consolidated adjustments and elimination			(23,645)
Consolidated revenue			<u>90,367</u>
<u>Results</u>			
Results before the following adjustments	28,996	(440)	28,556
Consolidated adjustments and elimination	(5,645)	(327)	(5,972)
Amortisation of intangible asset	-	(51)	(51)
Depreciation of property and equipment	(993)	(589)	(1,582)
Direct operating expenses on investment properties	(2,337)	-	(2,337)
Segment results	<u>20,021</u>	<u>(1,407)</u>	18,614
Interest income			175
Interest expense			(6,813)
Tax expense			(5,242)
Consolidated profit after taxation			<u>6,734</u>
Results for 12 months ended 31 December 2018			
<u>Revenue</u>			
External	35,747	2,573	38,320
Inter-segment	4,800	3,548	8,348
	<u>40,547</u>	<u>6,121</u>	46,668
Consolidated adjustments and elimination			(8,348)
Consolidated revenue			<u>38,320</u>
<u>Results</u>			
Results before the following adjustments	9,662	(527)	9,135
Consolidated adjustments and elimination	3,537	(3,587)	(50)
Amortisation of intangible asset	(2)	(48)	(50)
Depreciation of equipment	(739)	(187)	(926)
Direct operating expenses on investment properties	(1,868)	-	(1,868)
Gain on disposal of equipment	8	36	44
Fair value gain on investment properties	11,000	-	11,000
Segment results	<u>21,598</u>	<u>(4,313)</u>	17,285
Interest income			63
Interest expense			(4,793)
Share of results in associates			(11)
Tax expense			(1,186)
Consolidated profit after taxation			<u>11,358</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 December 2019			
<u>Assets</u>			
Segment assets	604,636	8,426	613,062
Tax recoverable	-	4	4
Consolidated total assets	<u>604,636</u>	<u>8,430</u>	<u>613,066</u>
<u>Liabilities</u>			
Segment liabilities	385,690	3,738	389,428
Tax liabilities	8,695	-	8,695
Consolidated total liabilities	<u>394,385</u>	<u>3,738</u>	<u>398,123</u>
Segment assets and liabilities as at 31 December 2018			
<u>Assets</u>			
Segment assets	443,380	4,625	448,005
Tax recoverable	1,498	10	1,508
Consolidated total assets	<u>444,878</u>	<u>4,635</u>	<u>449,513</u>
<u>Liabilities</u>			
Segment liabilities	237,694	1,397	239,091
Deferred tax liabilities	5,077	-	5,077
Consolidated total liabilities	<u>242,771</u>	<u>1,397</u>	<u>244,168</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 other changes in the composition of the Group during the current quarter and year-to-date ended 31 December 2019.

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

There is no capital commitments provided for to the end of the financial period.

A13. Related Party Transactions

	Current Quarter		Cumulative Quarter	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Rental expenses to a related party	-	-	-	18
Rental income from a non-controlling interest	1,103	961	4,222	3,846

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**QUARTER ENDED 31 DECEMBER 2019****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 December 2019**

For the current quarter under review, the Group recorded a revenue of RM45.0 million, which is RM27.6 million higher compared with the previous corresponding financial quarter due to the project billings and project management fees.

Current quarter's Profit Before Tax ("PBT") of RM6.03 million as compared to RM1.5 million (after netting off the revaluation surplus amount of RM11.0 million in the previous corresponding quarter) is due to the higher revenue generated by property development in the current financial quarter.

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

	Current Quarter 31/12/2019 RM'000	Immediate Preceding Quarter 30/09/2019 RM'000	Changes
Revenue	45,001	24,665	> 100%
Profit Before Taxation ("PBT")	6,033	3,447	> 100%

The Group recorded better revenue and PBT for the current quarter. The higher revenue and PBT in the current quarter this is due to higher project billings and project management fees recorded with a total value of RM43.0 million.

B3. Future Prospects

The Malaysian property market is still to a large extent being affected by the financial institutions' stricter lending requirements and tightening of domestic liquidity. The Board is however cautiously optimistic given the market's growing confidence in the HCK brand.

The Group is currently working on the details of new launches which will be expected to be executed in the next few coming quarters.

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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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**QUARTER ENDED 31 DECEMBER 2019****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM '000	RM '000	RM '000	RM '000
Current income tax				
- for the financial period	2,647	636	3,533	636
- under provision in prior financial period/year	2	-	9	-
	<u>2,649</u>	<u>636</u>	<u>3,542</u>	<u>636</u>
Deferred tax liabilities				
- Recognition of fair value gain on investment properties	1,700	550	1,700	550
	<u>4,349</u>	<u>1,186</u>	<u>5,242</u>	<u>1,186</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.

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 December 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	197,485	18,903	216,388	143,332	10,259	153,591
Revolving credit	-	10,000	10,000	-	10,000	10,000
Hire purchases	-	-	-	406	265	671
	<u>197,485</u>	<u>28,903</u>	<u>226,388</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 the drawdown of term loans amounted of RM6.13 million for funding to project progress billings and RM56.0 mil drawdown paid for purchase a land bank in Subang Bestari.

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.

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

(Company no: 484964-H)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**QUARTER ENDED 31 DECEMBER 2019****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Profit after taxation attributable to ordinary Protequity owners of the parent (RM'000)	1,982	6,280	6,906	6,641
Weighted average number of ordinary shares in issue ('000)	422,326	421,223	422,326	421,223
Basic earning per share (sen)	0.47	1.49	1.64	1.58
Profit/(Loss) after taxation attributable to ordinary equity owners of the parent (RM'000)	1,982	6,280	6,906	6,641
Weighted average number of ordinary shares in issue ('000)	422,326	421,223	422,326	421,223
Shares deemed to issued for no consideration ('000) - warrants	48,429	50,092	48,429	50,092
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	470,755	471,315	470,755	471,315
Diluted earning per share (sen)	0.42	1.33	1.47	1.41

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	
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000
This is arrived at after charging/(crediting):				
Interest income	(3)	(2)	(175)	(63)
Interest expense	2,172	1,366	6,813	4,793
Amortisation of intangible assets	13	12	51	50
Depreciation of property, plant and equipment	798	385	1,582	926
Loss/ (gain) on disposal of equipment	-	2	-	2
Gain on disposal of subsidiary	-	(44)	(161)	(44)

HCK CAPITAL GROUP BERHAD
PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2019 31/12/2019 RM'000	PRECEDING YEAR CORR. QTR FYE2018 31/12/2018 RM'000	CURRENT YEAR TO DATE FYE2019 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING FYE2018 31/12/2018 RM'000
1 Revenue	45,001	17,366	90,367	38,320
2 Profit before tax	6,033	12,530	11,976	12,544
3 Profit for the period	1,684	11,344	6,734	11,358
4 Profit attributable to ordinary equity	1,982	6,280	6,906	6,641
5 Basic earning per share (sen)	0.47	1.49	1.64	1.58
6 Proposed/Declared dividend per share (sen)	-	-	-	-
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			0.49	0.47

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2019 31/12/2019 RM'000	PRECEDING YEAR CORR. QTR FYE2018 31/12/2018 RM'000	CURRENT YEAR TO DATE FYE2019 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING FYE2018 31/12/2018 RM'000
1 Gross interest income	3	2	175	63
2 Gross interest expense	2,172	1,366	6,813	4,793