



**HCK CAPITAL GROUP BERHAD**  
(484964-H)

**Interim Financial Statement**  
**For the Financial Year Ended 30 September 2020**

**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 30 September 2020**

	Note	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
		<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2020</b>	<b>30.09.2019</b>
		<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Revenue		27,195	24,665	58,929	45,366
Cost of sales		(17,808)	(14,695)	(32,698)	(22,202)
<b>Gross Profit</b>		<b>9,387</b>	<b>9,970</b>	<b>26,231</b>	<b>23,164</b>
Other operating income		172	183	358	225
Administrative and general expenses		(4,509)	(4,041)	(11,516)	(11,552)
Sales and marketing expenses		(528)	(572)	(2,075)	(1,425)
		<b>4,522</b>	<b>5,540</b>	<b>12,998</b>	<b>10,412</b>
Interest income		96	101	137	173
Interest expense		(2,020)	(2,194)	(6,635)	(4,641)
Share of results in associates, net of tax		111	-	121	-
<b>Profit before taxation</b>	B13	<b>2,709</b>	<b>3,447</b>	<b>6,621</b>	<b>5,944</b>
Tax expense	B6	(477)	(799)	(2,256)	(893)
<b>Profit after taxation</b>		<b>2,232</b>	<b>2,648</b>	<b>4,365</b>	<b>5,051</b>
<b>Attributable to:</b>					
Owners of the parent		1,598	2,420	3,215	4,924
Non-controlling interests		634	228	1,150	127
		<b>2,232</b>	<b>2,648</b>	<b>4,365</b>	<b>5,051</b>
<b>Earning per share (Sen)</b>					
- Basic		0.38	0.57	0.76	1.17
- Diluted		0.34	0.51	0.69	1.05

*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 2019 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 30 September 2020**

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30.09.2020</u>	<u>30.09.2019</u>	<u>30.09.2020</u>	<u>30.09.2019</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Profit after taxation for the period	2,232	2,648	4,365	5,051
<b>Other comprehensive income</b>				
Item that may not be subsequently reclassified to profit or loss	-	-	-	-
<b>Total comprehensive income</b>	<u>2,232</u>	<u>2,648</u>	<u>4,365</u>	<u>5,051</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,598	2,420	3,215	4,924
Non-controlling interests	634	228	1,150	127
	<u>2,232</u>	<u>2,648</u>	<u>4,365</u>	<u>5,051</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 2019 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 30 September 2020

	AS AT 30.09.2020 RM' 000 Unaudited	AS AT 31.12.2019 RM' 000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	330	436
Land held for property development	129,603	129,399
Investment property	-	55,000
Investment in associates	7,132	-
Goodwill	4,470	4,470
Intangible assets	594	620
Right of use asset	39,837	41,089
	<u>181,966</u>	<u>231,014</u>
<b>Current assets</b>		
Inventories	263,300	220,483
Property development costs	83,667	62,598
Contract costs	10,619	9,294
Trade and other receivables	115,568	55,692
Contract assets	25,854	25,333
Current tax assets	2	-
Short term fund	5	5
Fixed deposit with a licensed bank	4,322	4,193
Cash and bank balances	7,773	5,664
	<u>511,110</u>	<u>383,262</u>
<b>TOTAL ASSETS</b>	<u>693,076</u>	<u>614,276</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	156,288	155,931
Warrants reserve	10,419	10,437
Share option reserve	85	85
Retained earnings	38,946	41,554
	<u>205,738</u>	<u>208,007</u>
<b>Non-controlling interests</b>	<u>5,408</u>	<u>6,855</u>
<b>Total equity</b>	<u>211,146</u>	<u>214,862</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,377	6,777
Trade and other payables	24,953	24,953
Long term borrowings	B8 253,237	198,924
	<u>281,567</u>	<u>230,654</u>
<b>Current liabilities</b>		
Trade and other payables	115,477	116,006
Contract liabilities	59,278	20,053
Current tax liabilities	2,890	1,919
Short term borrowings	B8 22,718	30,782
	<u>200,363</u>	<u>168,760</u>
<b>Total liabilities</b>	<u>481,930</u>	<u>399,414</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>693,076</u>	<u>614,276</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.49</u>	<u>0.49</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 2019 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 30 September 2020**

	← Attributable to Owners of the Parent →						Non-Controlling Interests	Total Equity
	Non-Distributable			Distributable				
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Warrants Reserve RM'000	Retained Earnings RM'000	Total RM'000		
<b>As at 1 January 2019</b>	84,437	68,889	-	10,519	34,703	198,548	6,725	205,273
Contributions by and distributions to owners of the Company:								
- Conversions of warrants	1,575	-	-	-	-	1,575	-	1,575
- Employees' share options granted	-	-	85	-	-	85	-	85
- Share grant scheme exercised	948	-	-	-	-	948	-	948
Transfer from share premium in accordance with Section 618 (2) of the Companies Act 2016	68,889	(68,889)	-	-	-	-	-	-
Disposal of the subsidiaries	-	-	-	-	-	-	301	301
	71,412	(68,889)	85	-	-	2,608	301	2,909
Transfer of share capital upon conversion of warrant	82	-	-	(82)	-	-	-	-
Total comprehensive income	-	-	-	-	6,851	6,851	(171)	6,680
<b>As at 31 December 2019</b>	155,931	-	85	10,437	41,554	208,007	6,855	214,862
<b>As at 1 January 2020</b>	155,931	-	85	10,437	41,554	208,007	6,855	214,862
Conversion of warrants	339	-	-	-	-	339	-	339
Transfer to share capital upon conversion of warrant	18	-	-	(18)	-	-	-	-
Disposal of the subsidiaries	-	-	-	-	(5,823)	(5,823)	(2,597)	(8,420)
Total comprehensive income	-	-	-	-	3,215	3,215	1,150	4,365
<b>As at 30 September 2020</b>	156,288	-	85	10,419	38,946	205,738	5,408	211,146

*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 2019 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 30 September 2020**

	<b>Cumulative Quarter</b>	
	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Profit before taxation</b>	6,621	5,944
<b><u>Adjustments for :</u></b>		
Non-cash items	1,460	661
Non-operating items	6,497	4,435
<b>Total adjustments</b>	<b>7,957</b>	<b>5,096</b>
	<b>14,578</b>	<b>11,040</b>
<b><u>Changes in working capital</u></b>		
Changes in inventories	(42,818)	2,691
Changes in project development costs	(21,069)	(99,198)
Changes in contract costs	(1,325)	-
Changes in contract assets/(liabilities)	38,704	-
Changes in trade and other receivables	(29,433)	(33,199)
Changes in amount owing to directors	-	7,584
Changes in trade and other payables	3,950	54,402
<b>Total changes in working capital</b>	<b>(51,991)</b>	<b>(67,720)</b>
<b>Cash flow used in operations</b>	<b>(37,413)</b>	<b>(56,680)</b>
Tax paid	(1,187)	(707)
<b>Net cash flows used in operating activities</b>	<b>(38,600)</b>	<b>(57,387)</b>
<b><u>Investing activities</u></b>		
Interest received	138	173
Addition to property, plant and equipment	(33)	(3,054)
Addition in land held for development	(204)	-
Addition intangible assets	-	(147)
Proceeds from disposal of property, plant & equipment	-	(1)
Disposal of a subsidiary, net of cash and cash equivalents disposed of	510	-
Placement of short-term deposit pledged to a licensed bank	(129)	(129)
<b>Net cash flows from/(used in) investing activities</b>	<b>282</b>	<b>(3,158)</b>

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

(Company no: 484964-H)

**Unaudited Condensed Consolidated Statement of Cash Flow (Cont'd)****For the Financial Year Ended 30 September 2020**

	<b>Cumulative Quarter</b>	
	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b><u>Financing activities</u></b>		
Proceeds from issuance of ordinary shares:-		
- pursuant to conversion of warrant	339	912
Net drawdown/(repayment) of bank borrowings	47,437	64,309
Repayment of lease liabilities	(714)	-
Repayment of hire purchases	-	(225)
Interest Paid	(6,635)	(4,608)
<b>Net cash flows from financing activities</b>	<b>40,427</b>	<b>60,388</b>
Net increase/(decrease) in cash and cash equivalents	2,109	(157)
Cash and cash equivalents at beginning of year	4,069	3,373
	<b>6,178</b>	<b>3,216</b>
<b><u>Composition of cash and cash equivalents:</u></b>		
Short term fund	5	5
Cash and bank balances	7,773	3,211
Less: Bank balances held in escrow	(1,600)	-
<b>Cash and cash equivalents at end of period</b>	<b>6,178</b>	<b>3,216</b>

*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 2019 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 30 SEPTEMBER 2020

#### 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 2019 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 2019 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective from 1 January 2020, as disclosed below:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
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Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendment to MFRS 101 and MFRS 108: Definition of Material
Amendment to MFRS 101 : Classification of Liabilities as Current or Non-Current
Amendment to References to the Conceptual Framework in MFRS Standards

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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL  
QUARTER ENDED 30 SEPTEMBER 2020**

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation (Cont'd)**

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.

**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 30 SEPTEMBER 2020****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information**

	Properties RM'000	Others RM'000	Total RM'000
<b>Results for 3 months ended 30 September 2020</b>			
<b><u>Revenue</u></b>			
External	26,612	583	27,195
Inter-segment	11,105	850	11,955
	<u>37,717</u>	<u>1,433</u>	<u>39,150</u>
Consolidated adjustments and elimination			(11,955)
Consolidated revenue			<u>27,195</u>
<b><u>Results</u></b>			
Results before the following adjustments	6,575	2,561	9,136
Consolidated adjustments and elimination	(1,827)	(2,427)	(4,254)
Amortisation of intangible asset	-	(8)	(8)
Depreciation of property and equipment	(20)	(24)	(44)
Depreciation of right of use assets	(206)	(102)	(308)
Loss on disposal of subsidiary	-	-	-
Segment results	<u>4,522</u>	<u>-</u>	<u>4,522</u>
Interest income			96
Interest expense			(2,020)
Share of results in associates			111
Tax Expense			(477)
Consolidated profit after taxation			<u>2,232</u>
<b>Results for 3 months ended 30 September 2019</b>			
<b><u>Revenue</u></b>			
External	24,119	546	24,665
Inter-segment	2,017	1,059	3,076
	<u>26,136</u>	<u>1,605</u>	<u>27,741</u>
Consolidated adjustments and elimination			(3,076)
Consolidated revenue			<u>24,665</u>
<b><u>Results</u></b>			
Results before the following adjustments	6,548	864	7,412
Consolidated adjustments and elimination	(94)	(925)	(1,019)
Amortisation of intangible asset	-	(13)	(13)
Depreciation of property and equipment	(169)	(87)	(256)
Direct operating expenses on investment properties	(584)	-	(584)
Segment results	<u>5,701</u>	<u>(161)</u>	<u>5,540</u>
Interest income			101
Interest expense			(2,194)
Tax expense			(799)
Consolidated profit after taxation			<u>2,648</u>

**HCK CAPITAL GROUP BERHAD**

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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information (Cont'd)**

	Properties RM'000	Others RM'000	Total RM'000
<b>Results for 9 months ended 30 September 2020</b>			
<b><u>Revenue</u></b>			
External	57,439	1,490	58,929
Inter-segment	18,789	1,519	20,308
	<u>76,228</u>	<u>3,009</u>	<u>79,237</u>
Consolidated adjustments and elimination			(20,308)
Consolidated revenue			<u>58,929</u>
<b><u>Results</u></b>			
Results before the following adjustments	19,315	1,427	20,742
Consolidated adjustments and elimination	(2,880)	(2,427)	(5,307)
Amortisation of intangible asset	-	(26)	(26)
Depreciation of property and equipment	(60)	(79)	(139)
Direct operating expenses on investment properties	(859)	-	(859)
Depreciation of right of use assets	(675)	(345)	(1,020)
Loss on disposal of subsidiary	(393)	-	(393)
Segment results	<u>14,448</u>	<u>(1,450)</u>	<u>12,998</u>
Interest income			137
Interest expense			(6,635)
Share of results in associates			121
Tax expense			(2,256)
Consolidated profit after taxation			<u>4,365</u>
	Properties RM'000	Others RM'000	Total RM'000
<b>Results for 9 months ended 30 September 2019</b>			
<b><u>Revenue</u></b>			
External	43,812	1,554	45,366
Inter-segment	7,800	2,995	10,795
	<u>51,612</u>	<u>4,549</u>	<u>56,161</u>
Consolidated adjustments and elimination			(10,795)
Consolidated revenue			<u>45,366</u>
<b><u>Results</u></b>			
Results before the following adjustments	14,723	1,840	16,563
Consolidated adjustments and elimination	(940)	(2,635)	(3,575)
Amortisation of intangible asset	-	(38)	(38)
Depreciation of equipment	(521)	(263)	(784)
Direct operating expenses on investment properties	(1,754)	-	(1,754)
Segment results	<u>11,508</u>	<u>(1,096)</u>	<u>10,412</u>
Interest income			173
Interest expense			(4,641)
Tax expense			(893)
Consolidated profit after taxation			<u>5,051</u>

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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information (Cont'd)**

	Properties RM'000	Others RM'000	Total RM'000
<b>Segment assets and liabilities as at 30 September 2020</b>			
<b><u>Assets</u></b>			
Segment assets	669,846	23,228	693,074
Tax recoverable	-	2	2
Consolidated total assets	<u>669,846</u>	<u>23,230</u>	<u>693,076</u>
<b><u>Liabilities</u></b>			
Segment liabilities	471,131	4,532	475,663
Tax liabilities	6,122	145	6,267
Consolidated total liabilities	<u>477,253</u>	<u>4,677</u>	<u>481,930</u>
<b>Segment assets and liabilities as at 30 September 2019</b>			
<b><u>Assets</u></b>			
Segment assets	540,664	7,596	548,260
Tax recoverable	1,313	8	1,321
Consolidated total assets	<u>541,977</u>	<u>7,604</u>	<u>549,581</u>
<b><u>Liabilities</u></b>			
Segment liabilities	330,303	2,662	332,965
Deferred tax liabilities	5,077	-	5,077
Consolidated total liabilities	<u>335,380</u>	<u>2,662</u>	<u>338,042</u>

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

There are no material subsequent events that have not been reflected in the financial statements for the financial period ended 30 September 2020.

**A10. Changes in Composition of the Group**

There were no other changes in the composition of the Group during the current quarter ended 30 September 2020.

**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	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
Rental income from a non-controlling interest	-	1,103	1,691	3,120

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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****QUARTER ENDED 30 SEPTEMBER 2020****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020****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 30 September 2020**

For the current quarter under review, the Group recorded a revenue of RM27.19 million, which is RM2.53 million higher than the previous corresponding financial quarter, mainly due to increased project billings and project management fees.

The current quarter's Profit Before Tax ("PBT") of RM2.71 million, which is lower compared to RM3.45 million in the previous corresponding quarter, is due to higher administrative and general expenses incurred.

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

	Current Quarter 30/09/2020 RM'000	Immediate Preceding Quarter 30/06/2020 RM'000
Revenue	27,195	14,293
Profit Before Taxation ("PBT")	2,709	2,305

The Group recorded better revenue and PBT for the current quarter. The higher revenue and PBT in the current quarter are due to higher project billings and project management fees for a total value of RM12.9 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 conditional movement control order (CMCO) has also affected the Group's property sales and project management income. The Board is however cautiously optimistic about the coming quarters given the market's growing confidence in the HCK brand.

The Group is currently working on new launches which will be expected to be executed in the 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 30 SEPTEMBER 2020****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020****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	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM '000	RM '000	RM '000	RM '000
Current income tax				
- for the financial period	477	792	2,215	886
- under provision in prior financial period	-	7	41	7
	<u>477</u>	<u>799</u>	<u>2,256</u>	<u>893</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**

The Company has on 8 July 2020 announced that it has entered into a related party transaction with SEG International Berhad ("SEGI"). The Company, via its wholly owned subsidiary, HCK Capital Holdings Sdn. Bhd., entered into an agreement to lease ("Agreement") with SEGi College (Subang Jaya) Sdn. Bhd., a wholly-owned subsidiary of SEGI, agreeing to lease Tower D and part of the podium of a development know as Edumetro @ Subang Jaya, which is held under the master title PN 97567, Lot 74746, Pekan Penaga, Daerah Petaling, Selangor Darul Ehsan at the address of Lot 74746, Persiaran Subang Permai, USJ 1, Subang Jaya, Selangor Darul Ehsan for a leasing tenure of 12 years commencing from the lease commencement date in June 2022.

The Company and SEGI had obtained approvals for the Proposed Transaction from their respective shareholders at their extraordinary general meetings convened on 23 September 2020 and 25 September 2020, respectively.

**B8. Borrowings and Debt Securities**

Details of Group's borrowings are as follows:

	As at 30 September 2020			As at 31 December 2019		
	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	251,982	11,843	263,825	197,485	18,903	216,388
Revolving credit	-	10,000	10,000	-	10,000	10,000
Lease liabilities	1,255	875	2,130	1,439	1,879	3,318
	<u>253,237</u>	<u>22,718</u>	<u>275,955</u>	<u>198,924</u>	<u>30,782</u>	<u>229,706</u>

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

The increase mainly due to the drawdown of term loans amounted of RM19.8 million for funding to project progress billings in 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.

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

(Company no: 484964-H)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****QUARTER ENDED 30 SEPTEMBER 2020****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020****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	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Profit after taxation attributable to ordinary Protequity owners of the parent (RM'000)	1,598	2,420	3,215	4,924
Weighted average number of ordinary shares in issue ('000)	423,951	421,550	423,951	421,550
Basic earning per share (sen)	0.38	0.57	0.76	1.17
Profit after taxation attributable to ordinary equity owners of the parent (RM'000)	1,598	2,420	3,215	4,924
Weighted average number of ordinary shares in issue ('000)	423,951	421,550	423,951	421,550
Shares deemed to issued for no consideration ('000) - warrants	44,411	48,589	44,411	48,589
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	468,362	470,139	468,362	470,139
Diluted earning per share (sen)	0.34	0.51	0.69	1.05

**B12. Auditors' report on preceding annual financial statement**

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not qualified.

**B13. Profit Before Taxation**

	Current Quarter		Cumulative Quarter	
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
This is arrived at after charging/(crediting):				
Interest income	(96)	(101)	(137)	(173)
Interest expense	2,020	2,194	6,635	4,641
Amortisation of intangible assets	8	13	26	38
Depreciation of property, plant and equipment	44	256	139	784
Depreciation of right of use assets	308	-	1,020	-
Loss/(gain) on disposal of subsidiary	-	(161)	393	(161)

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2020 30/09/2020 RM'000	PRECEDING YEAR CORR. QTR FYE2019 30/09/2019 RM'000	CURRENT YEAR TO DATE FYE2020 30/09/2020 RM'000	PRECEDING YEAR CORRESPONDING FYE2019 30/09/2019 RM'000
1 Revenue	27,195	24,665	58,929	45,366
2 Profit before tax	2,709	3,447	6,621	5,944
3 Profit for the period	2,232	2,648	4,365	5,051
4 Profit attributable to ordinary equity	1,598	2,420	3,215	4,924
5 Basic earning per share (sen)	0.38	0.57	0.76	1.17
6 Proposed/Declared dividend per share (sen)	-	-	-	-
			<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			0.49	0.49

**PART A3 : ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2020 30/09/2020 RM'000	PRECEDING YEAR CORR. QTR FYE2019 30/09/2019 RM'000	CURRENT YEAR TO DATE FYE2020 30/09/2020 RM'000	PRECEDING YEAR CORRESPONDING FYE2019 30/09/2019 RM'000
1 Gross interest income	96	101	137	173
2 Gross interest expense	2,020	2,194	6,635	4,641