



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

**Interim Financial Statement**  
**For the Financial Year Ended 30 June 2021**

**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 June 2021**

	Note	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
		<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
		<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Revenue		35,025	14,293	60,340	31,734
Cost of sales		(26,942)	(6,085)	(43,575)	(14,890)
<b>Gross Profit</b>		<b>8,083</b>	<b>8,208</b>	<b>16,765</b>	<b>16,844</b>
Other operating income		1,298	151	2,122	186
Administrative and general expenses		(4,701)	(2,773)	(9,565)	(7,007)
Sales and marketing expenses		(522)	(758)	(1,090)	(1,546)
		<b>4,158</b>	<b>4,828</b>	<b>8,232</b>	<b>8,477</b>
Interest income		6	2	43	40
Interest expense		(1,619)	(2,535)	(3,010)	(4,615)
Share of results in associates, net of tax		188	10	381	10
<b>Profit before taxation</b>	B13	<b>2,733</b>	<b>2,305</b>	<b>5,646</b>	<b>3,912</b>
Tax expense	B6	(764)	(1,227)	(2,254)	(1,779)
<b>Profit after taxation</b>		<b>1,969</b>	<b>1,078</b>	<b>3,392</b>	<b>2,133</b>
<b>Attributable to:</b>					
Owners of the parent		1,726	557	3,060	1,617
Non-controlling interests		243	521	332	516
		<b>1,969</b>	<b>1,078</b>	<b>3,392</b>	<b>2,133</b>
<b>Earning per share (Sen)</b>					
- Basic		0.40	0.13	0.72	0.38
- Diluted		0.34	0.12	0.60	0.35

*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 2020 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 June 2021**

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Profit after taxation for the period	1,969	1,078	3,392	2,133
<b>Other comprehensive income</b>				
Item that may not be subsequently reclassified to profit or loss	-	-	-	-
<b>Total comprehensive income</b>	<u>1,969</u>	<u>1,078</u>	<u>3,392</u>	<u>2,133</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,726	557	3,060	1,617
Non-controlling interests	243	521	332	516
	<u>1,969</u>	<u>1,078</u>	<u>3,392</u>	<u>2,133</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 2020 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 June 2021

		<b>AS AT</b>	<b>AS AT</b>
		<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>RM' 000</b>	<b>RM' 000</b>
	Note	Unaudited	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in associates		7,525	7,241
Property, plant and equipment		366	407
Land held for property development		130,522	129,884
Deferred tax assets		1,220	1,220
Goodwill		4,470	4,470
Intangible assets		11	559
Right of use asset		37,923	39,042
		<u>182,037</u>	<u>182,823</u>
<b>Current assets</b>			
Inventories		293,875	293,278
Inventories - Property development costs		137,131	110,389
Contract costs		6,320	9,290
Trade and other receivables		123,386	123,096
Contract assets		53,041	34,857
Current tax assets		660	356
Short term fund		714	1,110
Fixed deposit with a licensed bank		4,353	4,322
Cash and bank balances		9,108	5,220
		<u>628,588</u>	<u>581,918</u>
<b>TOTAL ASSETS</b>		<u>810,625</u>	<u>764,741</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		171,419	156,325
Warrants reserve		9,672	10,418
Share option reserve		85	85
Retained earnings		48,697	45,637
		<u>229,873</u>	<u>212,465</u>
<b>Non-controlling interests</b>		<u>1,195</u>	<u>1,000</u>
<b>Total equity</b>		<u>231,068</u>	<u>213,465</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,376	3,376
Trade and other payables		36,983	36,983
Long term borrowings	B8	300,150	259,781
		<u>340,509</u>	<u>300,140</u>
<b>Current liabilities</b>			
Trade and other payables		180,487	153,706
Contract liabilities		21,176	51,936
Current tax liabilities		806	760
Short term borrowings	B8	36,579	44,734
		<u>239,048</u>	<u>251,136</u>
<b>Total liabilities</b>		<u>579,557</u>	<u>551,276</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>810,625</u>	<u>764,741</u>
Net assets per share attributable to owners of the parent (RM)		<u>0.54</u>	<u>0.50</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 2020 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 June 2021**

	← Attributable to Owners of the Parent →					Non- Controlling Interests	Total Equity
	Non-Distributable Share			Distributable			
	Share Capital RM'000	Option Reserve RM'000	Warrants Reserve RM'000	Retained Earnings RM'000	Total RM'000		
<b>As at 1 January 2020</b>	155,931	85	10,437	41,554	208,007	6,855	214,862
Contributions by and distributions to owners of the Company:							
- Conversions of warrants	360	-	-	-	360	-	360
- Employees' share options granted	-	-	-	-	-	-	-
- Share grant scheme exercised	15	-	-	-	15	-	15
- Transfer of share capital upon conversion of warrants	19	-	(19)	-	-	-	-
Share issued by subsidiaries to non-controlling interest	-	-	-	-	-	1,512	1,512
Disposal of the subsidiaries	-	-	-	-	-	(7,633)	(7,633)
	394	-	(19)	-	375	(6,121)	(5,746)
Total comprehensive income	-	-	-	4,083	4,083	266	4,349
<b>As at 31 December 2020</b>	<u>156,325</u>	<u>85</u>	<u>10,418</u>	<u>45,637</u>	<u>212,465</u>	<u>1,000</u>	<u>213,465</u>
<b>As at 1 January 2021</b>	156,325	85	10,418	45,637	212,465	1,000	213,465
Contributions by and distributions to owners of the Company:							
- Conversions of warrants	14,334	-	-	-	14,334	-	14,334
- Employees' share options granted	-	-	-	-	-	-	-
- Share grant scheme exercised	14	-	-	-	14	-	14
- Transfer of share capital upon conversion of warrants	746	-	(746)	-	-	-	-
Disposal of the subsidiaries	-	-	-	-	-	(137)	(137)
Total comprehensive income	-	-	-	3,060	3,060	332	3,392
<b>As at 30 June 2021</b>	<u>171,419</u>	<u>85</u>	<u>9,672</u>	<u>48,697</u>	<u>229,873</u>	<u>1,195</u>	<u>231,068</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 2020 and the accompanying explanatory notes attached to the interim financial statements.*

**HCK CAPITAL GROUP BERHAD**

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**Unaudited Condensed Consolidated Statement of Cash Flow****For the Financial Year Ended 30 June 2021**

	<u>Cumulative Quarter</u>	
	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Profit before taxation</b>	5,646	3,912
<b><u>Adjustments for :</u></b>		
Non-cash items	254	4,481
Non-operating items	2,967	1,207
<b>Total adjustments</b>	<b>3,221</b>	<b>5,688</b>
	<b>8,867</b>	<b>9,600</b>
<b><u>Changes in working capital</u></b>		
Changes in inventories	(835)	(22,401)
Changes in inventories - project development costs	(26,742)	(8,257)
Changes in contract costs	2,970	(2,397)
Changes in contract assets/(liabilities)	(48,940)	23,280
Changes in trade and other receivables	(1,879)	(13,896)
Changes in amount owing to directors	6,042	1,081
Changes in trade and other payables	22,697	(5,221)
<b>Total changes in working capital</b>	<b>(46,687)</b>	<b>(27,811)</b>
<b>Cash flow used in operations</b>	<b>(37,820)</b>	<b>(18,211)</b>
Tax paid	(2,512)	(588)
<b>Net cash flows used in operating activities</b>	<b>(40,332)</b>	<b>(18,799)</b>
<b><u>Investing activities</u></b>		
Interest received	43	134
Addition to property, plant and equipment	(60)	(17)
Addition in land held for development	(638)	(49)
Additional investments in associates	98	-
Additional in intangible asset	(80)	-
Disposal of a subsidiary, net of cash and cash equivalents disposal of	142	510
Placement of short-term deposit pledged to a licensed bank	(31)	(36)
<b>Net cash flows (used in)/from investing activities</b>	<b>(526)</b>	<b>542</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 June 2021**

	<u>Cumulative Quarter</u>	
	<b>30.06.2021</b>	<b>30.06.2020</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	14,335	339
Net drawdown/(repayment) of bank borrowings	33,356	28,852
Repayment of lease liabilities	(331)	(518)
Interest Paid	(3,010)	(4,615)
<b>Net cash flows from financing activities</b>	<b>44,350</b>	<b>24,058</b>
Net increase in cash and cash equivalents	3,492	5,801
Cash and cash equivalents at beginning of year	4,730	4,069
	<b>8,222</b>	<b>9,870</b>
<b><u>Composition of cash and cash equivalents:</u></b>		
Short term fund	714	5
Cash and bank balances	9,108	11,465
Less: Bank balances held in escrow	(1,600)	(1,600)
<b>Cash and cash equivalents at end of period</b>	<b>8,222</b>	<b>9,870</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 2020 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 JUNE 2021

#### 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 2020 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 2020 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective from 1 January 2021, as disclosed below:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
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Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2
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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
IFRIC Agenda Decision on MFRS 123: Borrowings Costs	01 July 2021
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	01 January 2022
MFRS 17 Insurance Contracts	01 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	01 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	01 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	01 January 2023
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 JUNE 2021**

**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:

Issuance of 14,931,400 new ordinary shares from the exercise of Warrants as the exercise price of RM0.96 per warrant amounting to RM14,334,144.

**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 JUNE 2021****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 June 2021</b>			
<b><u>Revenue</u></b>			
External	34,631	394	35,025
Inter-segment	13,029	651	13,680
	<u>47,660</u>	<u>1,045</u>	<u>48,705</u>
Consolidated adjustments and elimination			(13,680)
Consolidated revenue			<u>35,025</u>
<b><u>Results</u></b>			
Results before the following adjustments	5,062	(3,256)	1,806
Consolidated adjustments and elimination	(167)	2,984	2,817
Amortisation of intangible asset	-	(7)	(7)
Depreciation of property and equipment	(17)	(18)	(35)
Depreciation of right of use assets	(256)	(30)	(286)
Loss on disposal of subsidiary	-	(137)	(137)
Segment results	<u>4,622</u>	<u>(464)</u>	<u>4,158</u>
Interest income			6
Interest expense			(1,619)
Share of results in associates			188
Tax expense			(764)
Consolidated profit after taxation			<u>1,969</u>
<b>Results for 3 months ended 30 June 2020</b>			
<b><u>Revenue</u></b>			
External	13,967	326	14,293
Inter-segment	220	50	270
	<u>14,187</u>	<u>376</u>	<u>14,563</u>
Consolidated adjustments and elimination			(270)
Consolidated revenue			<u>14,293</u>
<b><u>Results</u></b>			
Results before the following adjustments	6,353	(294)	6,059
Consolidated adjustments and elimination	(46)	(113)	(159)
Amortisation of intangible asset	-	(8)	(8)
Depreciation of property and equipment	(11)	(37)	(48)
Depreciation of right of use assets	(188)	(161)	(349)
Direct operating expenses on investment properties	(274)	-	(274)
Loss on disposal of subsidiary	(393)	-	(393)
Segment results	<u>5,441</u>	<u>(613)</u>	<u>4,828</u>
Interest income			2
Interest expense			(2,535)
Share of results in associates			10
Tax expense			(1,227)
Consolidated profit after taxation			<u>1,078</u>

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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021****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 6 months ended 30 June 2021</b>			
<b><u>Revenue</u></b>			
External	59,204	1,136	60,340
Inter-segment	25,213	1,282	26,495
	<u>84,417</u>	<u>2,418</u>	<u>86,835</u>
Consolidated adjustments and elimination			(26,495)
Consolidated revenue			<u>60,340</u>
<b><u>Results</u></b>			
Results before the following adjustments	10,167	(3,332)	6,835
Consolidated adjustments and elimination	(671)	2,936	2,265
Amortisation of intangible asset	-	(21)	(21)
Depreciation of property and equipment	(39)	(37)	(76)
Depreciation of right of use assets	(512)	(122)	(634)
Loss on disposal of subsidiary	-	(137)	(137)
Segment results	<u>8,945</u>	<u>(713)</u>	<u>8,232</u>
Interest income			43
Interest expense			(3,010)
Share of results in associates			381
Tax expense			(2,254)
Consolidated profit after taxation			<u>3,392</u>
	Properties RM'000	Others RM'000	Total RM'000
<b>Results for 6 months ended 30 June 2020</b>			
<b><u>Revenue</u></b>			
External	30,827	907	31,734
Inter-segment	7,685	669	8,354
	<u>38,512</u>	<u>1,576</u>	<u>40,088</u>
Consolidated adjustments and elimination			(8,354)
Consolidated revenue			<u>31,734</u>
<b><u>Results</u></b>			
Results before the following adjustments	12,739	(1,132)	11,607
Consolidated adjustments and elimination	(1,053)	-	(1,053)
Amortisation of intangible asset	-	(18)	(18)
Depreciation of property and equipment	(40)	(55)	(95)
Direct operating expenses on investment properties	(859)	-	(859)
Depreciation of right of use assets	(469)	(243)	(712)
Loss on disposal of subsidiary	(393)	-	(393)
Segment results	<u>9,925</u>	<u>(1,448)</u>	<u>8,477</u>
Interest income			40
Interest expense			(4,615)
Share of results in associates			10
Tax expense			(1,779)
Consolidated profit after taxation			<u>2,133</u>

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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021****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 June 2021</b>			
<b><u>Assets</u></b>			
Segment assets	781,081	29,977	811,058
Tax recoverable	653	7	660
Consolidated total assets	<u>781,734</u>	<u>29,984</u>	<u>811,718</u>
<b><u>Liabilities</u></b>			
Segment liabilities	553,493	23,977	577,470
Tax liabilities	4,142	40	4,182
Consolidated total liabilities	<u>557,635</u>	<u>24,017</u>	<u>581,652</u>
<b>Segment assets and liabilities as at 30 June 2020</b>			
<b><u>Assets</u></b>			
Segment assets	643,016	10,284	653,300
Tax recoverable	-	1	1
Consolidated total assets	<u>643,016</u>	<u>10,285</u>	<u>653,301</u>
<b><u>Liabilities</u></b>			
Segment liabilities	434,423	3,575	437,998
Deferred tax liabilities	6,389	-	6,389
Consolidated total liabilities	<u>440,812</u>	<u>3,575</u>	<u>444,387</u>

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

There are no material event subsequent events that have not been reflected in the financial statements for the financial period ended 30 June 2021.

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

On 15 June 2021, the subsidiary of the Company, HCK Food Sdn Bhd, disposed its direct subsidiary, JB Fine Coffee Sdn Bhd of 70% equity to Intermark Resources Sdn Bhd for a cash consideration of RM560,000.00.

Save for the following, there were no other changes in the composition of the Group during the current quarter ended 30 June 2021.

**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	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Rental income from a non-controlling interest	-	589	-	1,691

**HCK CAPITAL GROUP BERHAD**

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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****QUARTER ENDED 30 JUNE 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021****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 June 2021**

For the current quarter under review, the Group recorded a revenue of RM35.02 million, which is RM20.73 million higher compared with the previous corresponding financial quarter, due to the recognition of higher billings from its property projects.

The current quarter's Profit Before Tax ("PBT") of RM2.73 million compared to RM2.31 million is the result of its higher revenue generated by its property segment and reduction of interest expenses incurred in the current financial quarter.

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

	Current Quarter 30/06/2021 RM'000	Immediate Preceding Quarter 31/03/2021 RM'000
Revenue	35,025	25,315
Profit/(Loss) Before Taxation ("PBT"/("LBT"))	2,733	2,912

The Group recorded a higher revenue of RM35.02 million (as compared RM25.32 million in the immediate preceding quarter) due to higher billings from its property projects in the current quarter. The Group reported a profit before taxation ("PBT") of RM2.73 million, mainly due to a lower gross profit and higher interest expenses in the current quarter.

**B3. Future Prospects**

The Malaysian property market is still being affected by the financial institutions' stricter lending requirements and tightening of domestic liquidity. The COVID-19 pandemic has affected the sales of the Group's properties. The Board is, however, cautiously optimistic for the coming quarters, as the Group launches new marketing campaigns and new phases.

**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.

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

(Company no: 484964-H)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****QUARTER ENDED 30 JUNE 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021****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	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM '000	RM '000	RM '000	RM '000
Current income tax				
- for the financial period	665	1,227	1,825	1,738
- under provision in prior financial period	-	-	-	41
	<u>665</u>	<u>1,227</u>	<u>1,825</u>	<u>1,779</u>
Real property gains tax	99	-	429	-
	<u>764</u>	<u>1,227</u>	<u>2,254</u>	<u>1,779</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 30 June 2021			As at 31 December 2020		
	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	300,023	26,291	326,314	259,533	33,425	292,958
Revolving credit	-	10,000	10,000	-	10,000	10,000
Lease liabilities	127	288	415	248	1,309	1,557
	<u>300,150</u>	<u>36,579</u>	<u>336,729</u>	<u>259,781</u>	<u>44,734</u>	<u>304,515</u>

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

The increase mainly due to the drawdown of term loans amounted of RM41.67 million for funding to project progress billings.

**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**

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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****QUARTER ENDED 30 JUNE 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021****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	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Profit after taxation attributable to ordinary Protequity owners of the parent (RM'000)	1,726	557	3,060	1,617
Weighted average number of ordinary shares in issue ('000)	427,003	423,862	427,003	423,862
Basic earning per share (sen)	0.40	0.13	0.72	0.38
Profit/(Loss) after taxation attributable to ordinary equity owners of the parent (RM'000)	1,726	557	3,060	1,617
Weighted average number of ordinary shares in issue ('000)	427,003	423,862	427,003	423,862
Shares deemed to issued for no consideration ('000) - warrants	85,473	44,411	85,473	44,411
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	512,476	468,273	512,476	468,273
Diluted earning per share (sen)	0.34	0.12	0.60	0.35

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

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

**B13. Profit Before Taxation**

	Current Quarter		Cumulative Quarter	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
This is arrived at after charging/(crediting):				
Interest income	(6)	(2)	(43)	(40)
Interest expense	1,619	2,535	3,010	4,615
Amortisation of intangible assets	7	8	21	18
Depreciation of property, plant and equipment	35	48	76	95
Depreciation of right of use assets	286	349	634	712
Loss on disposal of subsidiary	137	393	137	393

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2021 30/06/2021 RM'000	PRECEDING YEAR CORR. QTR FYE2020 30/06/2020 RM'000	CURRENT YEAR TO DATE FYE2021 30/06/2021 RM'000	PRECEDING YEAR CORRESPONDING FYE2020 30/06/2020 RM'000
1 Revenue	35,025	14,293	60,340	31,734
2 Profit before tax	2,733	2,305	5,646	3,912
3 Profit for the period	1,969	1,078	3,392	2,133
4 Profit attributable to ordinary equity	1,726	557	3,060	1,617
5 Basic earning per share (sen)	0.40	0.13	0.72	0.38
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)			0.54	0.50

**PART A3 : ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2021 30/06/2021 RM'000	PRECEDING YEAR CORR. QTR FYE2020 30/06/2020 RM'000	CURRENT YEAR TO DATE FYE2021 30/06/2021 RM'000	PRECEDING YEAR CORRESPONDING FYE2020 30/06/2020 RM'000
1 Gross interest income	6	2	43	40
2 Gross interest expense	1,619	2,535	3,010	4,615