



HCK CAPITAL GROUP BERHAD
(484964-H)

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

	Note	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		<u>(Restated)</u>		<u>(Restated)</u>	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
		RM '000	RM '000	RM '000	RM '000
Revenue		22,587	27,195	82,927	58,929
Cost of sales		(12,916)	(17,903)	(56,490)	(32,944)
Gross Profit		9,671	9,292	26,437	25,985
Other operating income		822	172	2,943	358
Administrative and general expenses		(5,095)	(4,509)	(14,661)	(11,516)
Sales and marketing expenses		(901)	(528)	(1,991)	(2,075)
		4,497	4,427	12,728	12,752
Interest income		61	96	104	137
Interest expense		(3,831)	(2,020)	(6,840)	(6,635)
Share of results in associates, net of tax		156	111	537	121
Profit before taxation	B13	883	2,614	6,529	6,375
Tax expense	B6	(201)	(454)	(2,454)	(2,197)
Profit after taxation		682	2,160	4,075	4,178
Attributable to:					
Owners of the parent		470	1,548	3,531	3,084
Non-controlling interests		212	612	544	1,094
		682	2,160	4,075	4,178
Earning per share (Sen)					
- Basic		0.11	0.37	0.82	0.73
- Diluted		0.09	0.33	0.67	0.66

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 September 2021**

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	30.09.2021	<u>(Restated)</u> 30.09.2020	30.09.2021	<u>(Restated)</u> 30.09.2020
	RM '000	RM '000	RM '000	RM '000
Profit after taxation for the period	682	2,160	4,075	4,178
Other comprehensive income				
Item that may not be subsequently reclassified to profit or loss	-	-	-	-
Total comprehensive income	<u>682</u>	<u>2,160</u>	<u>4,075</u>	<u>4,178</u>
Total comprehensive income attributable to:				
Owners of the parent	470	1,548	3,531	3,084
Non-controlling interests	212	612	544	1,094
	<u>682</u>	<u>2,160</u>	<u>4,075</u>	<u>4,178</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 September 2021**

		(Restated)	(Restated)
	AS AT	AS AT	AS AT
	30.09.2021	31.12.2020	01.01.2020
	RM' 000	RM' 000	RM' 000
	Unaudited	Audited	Audited
ASSETS			
Non-current assets			
Investments in associates	7,628	7,241	-
Property, plant and equipment	342	407	436
Investment property	-	-	55,000
Land held for property development	131,666	129,884	129,399
Deferred tax assets	1,220	1,220	-
Goodwill	4,470	4,470	4,470
Intangible assets	11	559	620
Right of use asset	37,761	39,042	41,089
	<u>183,098</u>	<u>182,823</u>	<u>231,014</u>
Current assets			
Inventories	296,928	293,278	220,483
Inventories - Property development costs	132,191	109,817	62,162
Contract costs	6,402	9,290	9,294
Trade and other receivables	121,642	123,096	55,692
Contract assets	58,107	34,857	25,333
Current tax assets	1,211	356	-
Short term fund	1,798	1,110	5
Fixed deposit with a licensed bank	4,409	4,322	4,193
Cash and bank balances	470 212 13,745	5,220	5,664
	<u>636,433</u>	<u>581,346</u>	<u>382,826</u>
TOTAL ASSETS	<u>819,531</u>	<u>764,169</u>	<u>613,840</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	184,877	156,325	155,931
Warrants reserve	9,031	10,418	10,437
Share option reserve	85	85	85
Retained earnings	48,596	45,065	41,118
	<u>242,589</u>	<u>211,893</u>	<u>207,571</u>
Non-controlling interests	1,407	1,000	6,855
Total equity	<u>243,996</u>	<u>212,893</u>	<u>214,426</u>
Non-current liabilities			
Deferred tax liabilities	3,376	3,376	6,777
Trade and other payables	36,983	36,983	24,953
Long term borrowings	B8 309,531	259,781	198,924
	<u>349,890</u>	<u>300,140</u>	<u>230,654</u>
Current liabilities			
Trade and other payables	178,526	153,706	116,006
Contract liabilities	20,759	51,936	20,053
Current tax liabilities	994	760	1,919
Short term borrowings	B8 25,366	44,734	30,782
	<u>225,645</u>	<u>251,136</u>	<u>168,760</u>
Total liabilities	<u>575,535</u>	<u>551,276</u>	<u>399,414</u>
TOTAL EQUITY AND LIABILITIES	<u>819,531</u>	<u>764,169</u>	<u>613,840</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.56</u>	<u>0.50</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 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 September 2021**

	← Attributable to Owners of the Parent →						Non- Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable Share			Distributable		Total RM'000		
	Share Capital RM'000	Option Reserve RM'000	Warrants Reserve RM'000	Retained Earnings RM'000				
As at 1 January 2020	155,931	85	10,437	41,554	208,007	6,855	214,862	
Effect of adoption of the Agenda Decision	-	-	-	(436)	(436)	-	(436)	
As at 1 January 2020 (Restated)	155,931	85	10,437	41,118	207,571	6,855	214,426	
Contributions by and distributions to owners of the Company:								
- Conversions of warrants	339	-	-	-	339	-	339	
- Transfer of share capital upon conversion of warrants	18	-	(18)	-	-	-	-	
Disposal of the subsidiaries	-	-	-	(5,823)	(5,823)	(2,597)	(8,420)	
	357	-	(18)	(5,823)	(5,484)	(2,597)	(8,081)	
Total comprehensive income	-	-	-	3,215	3,215	1,150	4,365	
As at 30 September 2020 (Restated)	156,288	85	10,419	38,946	205,738	5,408	211,146	
As at 1 January 2021	156,325	85	10,418	45,637	212,465	1,000	213,465	
Effect of adoption of the Agenda Decision	-	-	-	(572)	(572)	-	(572)	
As at 1 January 2021 (Restated)	156,325	85	10,418	45,065	211,893	1,000	212,893	
Contributions by and distributions to owners of the Company:								
- Conversions of warrants	26,639	-	-	-	26,639	-	26,639	
- Employees' share options granted	21	-	-	-	21	-	21	
- Share grant scheme exercised	505	-	-	-	505	-	505	
- Transfer of share capital upon conversion of warrants	1,387	-	(1,387)	-	-	-	-	
Disposal of the subsidiaries	-	-	-	-	-	(137)	(137)	
Total comprehensive income	-	-	-	3,531	3,531	544	4,075	
As at 30 September 2021	184,877	85	9,031	48,596	242,589	1,407	243,996	

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

(Incorporated in Malaysia)

(Company no: 484964-H)

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

	<u>Cumulative Quarter</u>	
	30.09.2021	<u>(Restated)</u> 30.09.2020
	RM' 000	RM' 000
Profit before taxation	6,529	6,375
<u>Adjustments for :</u>		
Non-cash items	802	1,460
Non-operating items	6,797	6,497
Total adjustments	7,599	7,957
	14,128	14,332
<u>Changes in working capital</u>		
Changes in inventories	(3,888)	(42,818)
Changes in inventories - project development costs	(22,374)	(20,823)
Changes in contract costs	2,888	(1,325)
Changes in contract assets/(liabilities)	(54,422)	38,704
Changes in trade and other receivables	958	(29,433)
Changes in amount owing to directors	7,924	-
Changes in trade and other payables	17,761	3,950
Total changes in working capital	(51,153)	(51,745)
Cash flow used in operations	(37,025)	(37,413)
Tax paid	(3,074)	(1,187)
Net cash flows used in operating activities	(40,099)	(38,600)
<u>Investing activities</u>		
Interest received	43	138
Addition to property, plant and equipment	(65)	(33)
Addition in land held for development	(1,782)	(204)
Additional investments in associates	150	-
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	(87)	(129)
Net cash flows (used in)/from investing activities	(1,679)	282

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Unaudited Condensed Consolidated Statement of Cash Flow (Cont'd)**For the Financial Year Ended 30 September 2021**

	<u>Cumulative Quarter</u>	
	30.09.2021	<u>(Restated)</u>
	RM' 000	RM' 000
<u>Financing activities</u>		
Proceeds from issuance of ordinary shares:-		
- pursuant to conversion of warrant	26,639	339
Net drawdown/(repayment) of bank borrowings	31,587	47,437
Repayment of lease liabilities	(395)	(714)
Interest Paid	(6,840)	(6,635)
Net cash flows from financing activities	<u>50,991</u>	<u>40,427</u>
Net increase in cash and cash equivalents	9,213	2,109
Cash and cash equivalents at beginning of year	4,730	4,069
	<u>13,943</u>	<u>6,178</u>
<u>Composition of cash and cash equivalents:</u>		
Short term fund	1,798	5
Cash and bank balances	13,745	7,773
Less: Bank balances held in escrow	(1,600)	(1,600)
Cash and cash equivalents at end of period	<u>13,943</u>	<u>6,178</u>

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 SEPTEMBER 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 Amendmer
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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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The adoption of the above MFRSs does not have any material impact on the financial statements of the Group, except for IFRIC Agenda Decision on MFRS 123 Borrowing Costs, which is discussed below.

IFRIC Agenda Decision on MFRS 123 Borrowing Costs ("Agenda Decision")

In March 2019, IFRS Interpretations Committee ("IFRIC") published an agenda decision on borrowings costs confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On March 2019, the Malaysian Accounting Standards Board decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

As a result, finance cost can no longer be capitalised on the Group's on-going development projects for which revenue is recognised over time.

The Group had restropectively applied the Agenda Decision. The effects of the adoption of the Agenda Decision are as follows:-

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(Incorporated in Malaysia)

(Company no: 484964-H)

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 30 SEPTEMBER 2021****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation (Cont'd)****Consolidated Statement of Financial Position
As at 31 December 2020**

	As stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Assets			
Non-current assets			
Investments in associates	7,241	-	7,241
Property, plant and equipment	407	-	407
Land held for property development	129,884	-	129,884
Deferred tax assets	1,220	-	1,220
Goodwill	4,470	-	4,470
Intangible assets	559	-	559
Right of use asset	39,042	-	39,042
	<u>182,823</u>	-	<u>182,823</u>
Current Assets			
Inventories	293,278	-	293,278
Inventories - Property development costs	110,389	(572)	109,817
Contract costs	9,290	-	9,290
Trade and other receivables	123,096	-	123,096
Contract assets	34,857	-	34,857
Current tax assets	356	-	356
Short term fund	1,110	-	1,110
Fixed deposit with a licensed bank	4,322	-	4,322
Cash and bank balances	5,220	-	5,220
	<u>581,918</u>	<u>(572)</u>	<u>581,346</u>
Total Assets	<u>764,741</u>	<u>(572)</u>	<u>764,169</u>
Equity and Liabilities			
Equity			
Share Capital	156,325	-	156,325
Warrant reserve	10,418	-	10,418
Employee share option reserve	85	-	85
Retained profits	45,637	(572)	45,065
Equity attributable to owners of the Company	<u>212,465</u>	<u>(572)</u>	<u>211,893</u>
Non-controlling interests	1,000	-	1,000
Total Equity	<u>213,465</u>	<u>(572)</u>	<u>212,893</u>
Non-current liabilities			
Deferred tax liabilities	3,376	-	3,376
Trade and other payables	36,983	-	36,983
Long term borrowings	259,781	-	259,781
	<u>300,140</u>	-	<u>300,140</u>
Current liabilities			
Trade and other payables	153,706	-	153,706
Contract liabilities	51,936	-	51,936
Current tax liabilities	760	-	760
Short term borrowings	44,734	-	44,734
	<u>251,136</u>	-	<u>251,136</u>
Total Liabilities	<u>551,276</u>	-	<u>551,276</u>
Total Equity and Liabilities	<u>764,741</u>	<u>(572)</u>	<u>764,169</u>

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(Company no: 484964-H)

UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation (Cont'd)****Consolidated Statement of Financial Position
As at 01 January 2020**

	As stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Assets			
Non-current assets			
Property, plant and equipment	436	-	436
Investment property	55,000	-	55,000
Land held for property development	129,399	-	129,399
Goodwill	4,470	-	4,470
Intangible assets	620	-	620
Right of use asset	41,089	-	41,089
	<u>231,014</u>	<u>-</u>	<u>231,014</u>
Current Assets			
Inventories	220,483	-	220,483
Inventories - Property development costs	62,598	(436)	62,162
Contract costs	9,294	-	9,294
Trade and other receivables	55,692	-	55,692
Contract assets	25,333	-	25,333
Short term fund	5	-	5
Fixed deposit with a licensed bank	4,193	-	4,193
Cash and bank balances	5,664	-	5,664
	<u>383,262</u>	<u>(436)</u>	<u>382,826</u>
Total Assets	<u>614,276</u>	<u>(436)</u>	<u>613,840</u>
Equity and Liabilities			
Equity			
Share Capital	155,931	-	155,931
Warrant reserve	10,437	-	10,437
Employee share option reserve	85	-	85
Retained profits	41,554	(436)	41,118
Equity attributable to owners of the Company	<u>208,007</u>	<u>(436)</u>	<u>207,571</u>
Non-controlling interests	6,855	-	6,855
Total Equity	<u>214,862</u>	<u>(436)</u>	<u>214,426</u>
Non-current liabilities			
Deferred tax liabilities	6,777	-	6,777
Trade and other payables	24,953	-	24,953
Long term borrowings	198,924	-	198,924
	<u>230,654</u>	<u>-</u>	<u>230,654</u>
Current liabilities			
Trade and other payables	116,006	-	116,006
Contract liabilities	20,053	-	20,053
Current tax liabilities	1,919	-	1,919
Short term borrowings	30,782	-	30,782
	<u>168,760</u>	<u>-</u>	<u>168,760</u>
Total Liabilities	<u>399,414</u>	<u>-</u>	<u>399,414</u>
Total Equity and Liabilities	<u>614,276</u>	<u>(436)</u>	<u>613,840</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation (Cont'd)****Consolidated Statement of Profit or Loss
For the 3 months financial period ended 30 September 2020**

	As stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Revenue	27,195	-	27,195
Cost of sales	(17,808)	(95)	(17,903)
Gross Profit	9,387	(95)	9,292
Other operating income	172	-	172
Administrative and general expenses	(4,509)	-	(4,509)
Sales and marketing expenses	(528)	-	(528)
	4,522	(95)	4,427
Interest income	96	-	96
Interest expense	(2,020)	-	(2,020)
Share of results in associates, net of tax	111	-	111
Profit before taxation	2,709	(95)	2,614
Tax expense	(477)	23	(454)
Profit after taxation	2,232	(72)	2,160
Attributable to:			
Owners of the parent	1,598	(50)	1,548
Non-controlling interests	634	(22)	612
	2,232	(72)	2,160
Earning per share (Sen)			
- Basic	0.38		0.37
- Diluted	0.34		0.33

For the 9 months financial period ended 30 September 2020

	As stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Revenue	58,929	-	58,929
Cost of sales	(32,698)	(246)	(32,944)
Gross Profit	26,231	(246)	25,985
Other operating income	358	-	358
Administrative and general expenses	(11,516)	-	(11,516)
Sales and marketing expenses	(2,075)	-	(2,075)
	12,998	(246)	12,752
Interest income	137	-	137
Interest expense	(6,635)	-	(6,635)
Share of results in associates, net of tax	121	-	121
Profit before taxation	6,621	(246)	6,375
Tax expense	(2,256)	59	(2,197)
Profit after taxation	4,365	(187)	4,178
Attributable to:			
Owners of the parent	3,215	(131)	3,084
Non-controlling interests	1,150	(56)	1,094
	4,365	(187)	4,178
Earning per share (Sen)			
- Basic	0.76		0.73
- Diluted	0.69		0.66

HCK CAPITAL GROUP BERHAD

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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 30 SEPTEMBER 2021****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation (Cont'd)****Consolidated Statement of Cash Flows**

There are no material differences to the consolidated statement of cash flows arising from the adoption of Agenda Decision.

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:

MRFSs, Amendments to MFRSs and IC Interpretations	Effective for financial periods beginning on or
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-	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 SEPTEMBER 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:

- (a) Issuance of 12,817,450 new ordinary shares from the exercise of Warrants as the exercise price of RM0.96 per warrant amounting to RM12,304,752.
- (b) Issuance of 354,800 new ordinary shares from the Share Grant Plan ("SGP") under the Long Term Incentive Plan ("LTIP") at the issued price of ranging from RM1.30 per shares to RM1.80 per shares.
- (c) Issuance of 17,000 new ordinary shares from the Employee Share Option Scheme ("ESOS") under the Long Term Incentive Plan ("LTIP") at the issued price of RM1.25 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 30 SEPTEMBER 2021**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 30 September 2021			
<u>Revenue</u>			
External	22,227	360	22,587
Inter-segment	8,012	696	8,708
	<u>30,239</u>	<u>1,056</u>	<u>31,295</u>
Consolidated adjustments and elimination			(8,708)
Consolidated revenue			<u>22,587</u>
<u>Results</u>			
Results before the following adjustments	8,723	(570)	8,153
Consolidated adjustments and elimination	(3,126)	(339)	(3,465)
Amortisation of intangible asset	-	(1)	(1)
Depreciation of property and equipment	(14)	(14)	(28)
Depreciation of right of use assets	(158)	(4)	(162)
Loss on disposal of subsidiary	-	-	-
Segment results	<u>5,425</u>	<u>(928)</u>	<u>4,497</u>
Interest income			61
Interest expense			(3,831)
Share of results in associates			156
Tax expense			(201)
Consolidated profit after taxation			<u>682</u>
Results for 3 months ended 30 September 2020 (Restated)			
<u>Revenue</u>			
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>
<u>Results</u>			
Results before the following adjustments	6,480	2,561	9,041
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)
Segment results	<u>4,427</u>	<u>-</u>	<u>4,427</u>
Interest income			96
Interest expense			(2,020)
Share of results in associates			111
Tax expense			(454)
Consolidated profit after taxation			<u>2,160</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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
Results for 9 months ended 30 September 2021			
<u>Revenue</u>			
External	81,431	1,496	82,927
Inter-segment	33,226	1,978	35,204
	<u>114,657</u>	<u>3,474</u>	118,131
Consolidated adjustments and elimination			(35,204)
Consolidated revenue			<u>82,927</u>
<u>Results</u>			
Results before the following adjustments	18,890	(3,903)	14,987
Consolidated adjustments and elimination	(3,797)	2,598	(1,199)
Amortisation of intangible asset	-	(22)	(22)
Depreciation of property and equipment	(53)	(51)	(104)
Depreciation of right of use assets	(670)	(127)	(797)
Loss on disposal of subsidiary	-	(137)	(137)
Segment results	<u>14,370</u>	<u>(1,642)</u>	12,728
Interest income			104
Interest expense			(6,840)
Share of results in associates			537
Tax expense			(2,454)
Consolidated profit after taxation			<u>4,075</u>
	Properties RM'000	Others RM'000	Total RM'000
Results for 9 months ended 30 September 2020 (Restated)			
<u>Revenue</u>			
External	57,439	1,490	58,929
Inter-segment	18,789	1,519	20,308
	<u>76,228</u>	<u>3,009</u>	79,237
Consolidated adjustments and elimination			(20,308)
Consolidated revenue			<u>58,929</u>
<u>Results</u>			
Results before the following adjustments	19,069	1,427	20,496
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>14,202</u>	<u>(1,450)</u>	12,752
Interest income			137
Interest expense			(6,635)
Share of results in associates			121
Tax expense			(2,197)
Consolidated profit after taxation			<u>4,178</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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
Segment assets and liabilities as at 30 September 2021			
<u>Assets</u>			
Segment assets	786,465	31,855	818,320
Tax recoverable	1,203	8	1,211
Consolidated total assets	<u>787,668</u>	<u>31,863</u>	<u>819,531</u>
<u>Liabilities</u>			
Segment liabilities	550,767	23,775	574,542
Tax liabilities	953	42	995
Consolidated total liabilities	<u>551,720</u>	<u>23,817</u>	<u>575,537</u>
Segment assets and liabilities as at 30 September 2020 (Restated)			
<u>Assets</u>			
Segment assets	669,600	23,228	692,828
Tax recoverable	-	2	2
Consolidated total assets	<u>669,600</u>	<u>23,230</u>	<u>692,830</u>
<u>Liabilities</u>			
Segment liabilities	471,131	4,532	475,663
Deferred tax liabilities	6,063	145	6,208
Consolidated total liabilities	<u>477,194</u>	<u>4,677</u>	<u>481,871</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 September 2021.

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 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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Rental income from a non-controlling interest	-	-	-	1,691

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

For the current quarter under review, the Group recorded a revenue of RM22.59 million, which is RM4.61 million lower compared with the previous corresponding financial quarter, due to the recognition of lower billings from its property projects was impacted by the lockdown.

The current quarter's Profit Before Tax ("PBT") of RM0.88 million compared to RM2.61 million result from its decline in revenue generated by its property segment and higher interest expenses incurred in the current financial quarter.

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

	Current Quarter 30/09/2021 RM'000	Immediate Preceding Quarter 30/06/2021 RM'000
Revenue	22,587	35,025
Profit Before Taxation ("PBT")	883	2,733

The Group recorded a declining revenue of RM22.59 million (compared to RM35.02 million in the immediate preceding quarter) due to lower percentage of completion recorded from its property projects in the current quarter. The Group reported a profit before taxation ("PBT") of RM0.88 million, mainly due to slowdown in construction activities arising from Covid 19 lockdown 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.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**QUARTER ENDED 30 SEPTEMBER 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	
	(Restated)		(Restated)	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM '000	RM '000	RM '000	RM '000
Current income tax				
- for the financial period	630	454	2,454	2,156
- under provision in prior financial period	-	-	-	41
	<u>630</u>	<u>454</u>	<u>2,454</u>	<u>2,197</u>
Real property gains tax	(429)	-	-	-
	<u>201</u>	<u>454</u>	<u>2,454</u>	<u>2,197</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 September 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	309,460	15,085	324,545	259,533	33,425	292,958
Revolving credit	-	10,000	10,000	-	10,000	10,000
Lease liabilities	71	281	352	248	1,309	1,557
	<u>309,531</u>	<u>25,366</u>	<u>334,897</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 RM41.70 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.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**QUARTER ENDED 30 SEPTEMBER 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Profit after taxation attributable to ordinary Protequity owners of the parent (RM'000)	470	1,548	3,531	3,084
Weighted average number of ordinary shares in issue ('000)	432,554	423,951	432,554	423,951
Basic earning per share (sen)	0.11	0.37	0.82	0.73
Profit/(Loss) after taxation attributable to ordinary equity owners of the parent (RM'000)	470	1,548	3,531	3,084
Weighted average number of ordinary shares in issue ('000)	432,554	423,951	432,554	423,951
Shares deemed to issued for no consideration ('000) - warrants	93,923	44,411	93,923	44,411
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	526,477	468,362	526,477	468,362
Diluted earning per share (sen)	0.09	0.33	0.67	0.66

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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
This is arrived at after charging/(crediting):				
Interest income	(61)	(96)	(104)	(137)
Interest expense	3,831	2,020	6,840	6,635
Amortisation of intangible assets	1	8	22	26
Depreciation of property, plant and equipment	28	44	104	139
Depreciation of right of use assets	162	308	797	1,020
Loss on disposal of subsidiary	-	-	137	393

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2021 30/09/2021 RM'000	PRECEDING YEAR CORR. QTR FYE2020 30/09/2020 RM'000	CURRENT YEAR TO DATE FYE2021 30/09/2021 RM'000	PRECEDING YEAR CORRESPONDING FYE2020 30/09/2020 RM'000
1 Revenue	22,587	27,195	82,927	58,929
2 Profit before tax	883	2,614	6,529	6,375
3 Profit for the period	682	2,160	4,075	4,178
4 Profit attributable to ordinary equity	470	1,548	3,531	3,084
5 Basic earning per share (sen)	0.11	0.37	0.82	0.73
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)			0.56	0.50

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2021 30/09/2021 RM'000	PRECEDING YEAR CORR. QTR FYE2020 30/09/2020 RM'000	CURRENT YEAR TO DATE FYE2021 30/09/2021 RM'000	PRECEDING YEAR CORRESPONDING FYE2020 30/09/2020 RM'000
1 Gross interest income	61	96	104	137
2 Gross interest expense	3,831	2,020	6,840	6,635