



HCK CAPITAL GROUP BERHAD
(484964-H)

Interim Financial Statement
For the Financial Year Ended 31 December 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 31 December 2021**

	Note	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		<u>(Restated)</u>		<u>(Restated)</u>	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
		RM '000	RM '000	RM '000	RM '000
Revenue		33,762	32,947	116,689	91,876
Cost of sales		(27,981)	(30,260)	(84,471)	(63,060)
Gross Profit		5,781	2,687	32,218	28,816
Other operating income		1,313	4,601	4,257	4,959
Administrative and general expenses		(4,193)	(6,394)	(18,854)	(18,072)
Sales and marketing expenses		(288)	(1,170)	(2,279)	(3,245)
		2,613	(276)	15,342	12,458
Interest income		9	6	113	143
Interest expense		(2,264)	(201)	(9,104)	(6,877)
Share of results in associates, net of tax		(536)	220	-	341
Profit/(Loss) before taxation	B13	(178)	(251)	6,351	6,065
Tax expense	B6	(648)	135	(3,103)	(2,122)
Profit/(Loss) after taxation		(826)	(116)	3,248	3,943
Attributable to:					
Owners of the parent		(683)	163	2,846	3,799
Non-controlling interests		(143)	(279)	402	144
		(826)	(116)	3,248	3,943
Earning/(Loss) per share (Sen)					
- Basic		(0.16)	0.04	0.65	0.90
- Diluted		(0.13)	0.03	0.53	0.80

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 31 December 2021**

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		<u>(Restated)</u>		<u>(Restated)</u>
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM '000	RM '000	RM '000	RM '000
Profit after taxation for the period	(826)	(116)	3,248	3,943
Other comprehensive income				
Item that may not be subsequently reclassified to profit or loss	-	-	-	-
# Total comprehensive income	<u>(826)</u>	<u>(116)</u>	<u>3,248</u>	<u>3,943</u>
Total comprehensive income attributable to:				
Owners of the parent	(683)	163	2,846	3,799
Non-controlling interests	(143)	(279)	402	144
	<u>(826)</u>	<u>(116)</u>	<u>3,248</u>	<u>3,943</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 31 December 2021**

		(Restated)	(Restated)
	AS AT	AS AT	AS AT
	31.12.2021	31.12.2020	01.01.2020
	RM' 000	RM' 000	RM' 000
Note	Unaudited	Audited	Audited
ASSETS			
Non-current assets			
Investments in associates	-	7,241	-
Property, plant and equipment	355	407	436
Investment property	-	-	55,000
Land held for property development	131,976	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	38,131	39,042	41,089
	<u>176,163</u>	<u>182,823</u>	<u>231,014</u>
Current assets			
Inventories	296,493	293,278	220,483
Inventories - Property development costs	141,662	109,817	62,162
Contract costs	6,386	9,290	9,294
Trade and other receivables	113,858	123,096	55,692
Contract assets	57,896	34,857	25,333
Current tax assets	775	356	-
Short term fund	554	1,110	5
Fixed deposit with a licensed bank	4,409	4,322	4,193
Cash and bank balances	470 212 16,848	5,220	5,664
	<u>638,881</u>	<u>581,346</u>	<u>382,826</u>
TOTAL ASSETS	<u>815,044</u>	<u>764,169</u>	<u>613,840</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	186,173	156,325	155,931
Warrants reserve	8,979	10,418	10,437
Share option reserve	126	85	85
Retained earnings	47,283	44,627	41,118
	<u>242,561</u>	<u>211,455</u>	<u>207,571</u>
Non-controlling interests	85	812	6,855
Total equity	<u>242,646</u>	<u>212,267</u>	<u>214,426</u>
Non-current liabilities			
Deferred tax liabilities	3,376	3,376	6,777
Trade and other payables	38,055	36,983	24,953
Long term borrowings	B8 296,946	259,781	198,924
	<u>338,377</u>	<u>300,140</u>	<u>230,654</u>
Current liabilities			
Trade and other payables	178,275	154,332	116,006
Contract liabilities	17,310	51,936	20,053
Current tax liabilities	713	760	1,919
Short term borrowings	B8 37,723	44,734	30,782
	<u>234,021</u>	<u>251,762</u>	<u>168,760</u>
Total liabilities	<u>572,398</u>	<u>551,902</u>	<u>399,414</u>
TOTAL EQUITY AND LIABILITIES	<u>815,044</u>	<u>764,169</u>	<u>613,840</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.55</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 31 December 2021

	← Attributable to Owners of the Parent →						Non-Controlling Interests	Total Equity	
	Share Capital	Non-Distributable			Distributable				Total
		RM'000	Share Option Reserve RM'000	Translation 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	-	-	-	-	(1,198)	(1,198)	-	(1,198)	
As at 1 January 2020 (Restated)	155,931	85	-	10,437	40,356	206,809	6,855	213,664	
Contributions by and distributions to owners of the Company:									
31/12/2021	360	-	-	-	-	360	-	360	
- 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	144	4,227	
As at 31 December 2020 (Restated)	156,325	85	-	10,418	44,439	211,267	878	212,145	
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	-	-	-	-	(1,198)	(1,198)	-	(1,198)	
As at 1 January 2021 (Restated)	156,325	85	-	10,418	44,439	211,267	1,000	212,267	
Contributions by and distributions to owners of the Company:									
- Conversions of warrants	27,693	-	-	-	-	27,693	-	27,693	
- Employees' share options granted	45	-	-	-	-	45	-	45	
- Share grant scheme exercised	671	-	-	-	-	671	-	671	
- Transfer of share capital upon conversion of warrants	1,439	-	-	(1,439)	-	-	-	-	
- Translation reserve	-	-	-	-	-	-	-	-	
Share issued by subsidiaries to non-controlling interest / Disposal of the subsidiaries	-	-	-	-	-	-	(1,317)	(1,317)	
Total comprehensive income	-	-	41	-	2,845	2,886	402	3,288	
As at 31 December 2021	186,173	85	41	8,979	47,284	242,562	85	242,647	

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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(Company no: 484964-H)

Unaudited Condensed Consolidated Statement of Cash Flow**For the Financial Year Ended 31 December 2021**

	<u>Cumulative Quarter</u>	
	31.12.2021	<u>(Restated)</u> 31.12.2020
	RM' 000	RM' 000
Profit before taxation	6,351	6,065
<u>Adjustments for :</u>		
Non-cash items	1,322	2,154
Non-operating items	8,878	6,545
Total adjustments	10,200	8,699
	16,551	14,764
<u>Changes in working capital</u>		
Changes in inventories	(3,454)	(72,795)
Changes in inventories - project development costs	(30,073)	(46,128)
Changes in contract costs	2,904	4
Changes in contract assets/(liabilities)	(57,664)	22,359
Changes in trade and other receivables	4,015	(36,415)
Changes in amount owing to directors	(3,551)	3,000
Changes in trade and other payables	39,260	51,951
Total changes in working capital	(48,563)	(78,024)
Cash flow used in operations	(32,012)	(63,260)
Tax paid	(3,569)	(4,758)
Net cash flows used in operating activities	(35,581)	(68,018)
<u>Investing activities</u>		
Interest received	226	143
Addition to property, plant and equipment	(103)	(147)
Addition in land held for development	(2,092)	(485)
Additional investments in associates	-	-
Additional in intangible asset	(61)	-
Disposal of a subsidiary, net of cash and cash equivalents disposal of	(451)	620
Placement of short-term deposit pledged to a licensed bank	(87)	(129)
Net cash flows (used in)/from investing activities	(2,568)	2

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Unaudited Condensed Consolidated Statement of Cash Flow (Cont'd)**For the Financial Year Ended 31 December 2021**

	<u>Cumulative Quarter</u>	
	31.12.2021	<u>(Restated)</u>
	RM' 000	31.12.2020
		RM' 000
<u>Financing activities</u>		
Proceeds from issuance of ordinary shares:-		
- pursuant to conversion of warrant	28,404	1,872
Net drawdown/(repayment) of bank borrowings	30,338	76,570
Repayment of lease liabilities	(417)	(1,238)
Interest Paid	(9,104)	(8,527)
Net cash flows from financing activities	49,221	68,677
Net increase in cash and cash equivalents	11,072	661
Cash and cash equivalents at beginning of year	4,730	4,069
	15,802	4,730
<u>Composition of cash and cash equivalents:</u>		
Short term fund	554	1,110
Cash and bank balances	16,848	5,220
Less: Bank balances held in escrow	(1,600)	(1,600)
Cash and cash equivalents at end of period	15,802	4,730

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 31 DECEMBER 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

Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
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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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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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	(1,198)	44,439
Equity attributable to owners of the Company	<u>212,465</u>	<u>(1,198)</u>	<u>211,267</u>
Non-controlling interests	1,000	-	1,000
Total Equity	<u>213,465</u>	<u>(1,198)</u>	<u>212,267</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	626	154,332
Contract liabilities	51,936	-	51,936
Current tax liabilities	760	-	760
Short term borrowings	44,734	-	44,734
	<u>251,136</u>	<u>626</u>	<u>251,762</u>
Total Liabilities	<u>551,276</u>	<u>626</u>	<u>551,902</u>
Total Equity and Liabilities	<u>764,741</u>	<u>(572)</u>	<u>764,169</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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	(792)	40,762
Equity attributable to owners of the Company	<u>208,007</u>	<u>(792)</u>	<u>207,215</u>
Non-controlling interests	6,855	-	6,855
Total Equity	<u>214,862</u>	<u>(792)</u>	<u>214,070</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	356	116,362
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>356</u>	<u>169,116</u>
Total Liabilities	<u>399,414</u>	<u>356</u>	<u>399,770</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 31 DECEMBER 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 31 December 2020**

	As stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Revenue	32,947	-	32,947
Cost of sales	(30,226)	(34)	(30,260)
Gross Profit	2,721	(34)	2,687
Other operating income	4,601	-	4,601
Administrative and general expenses	(6,340)	(54)	(6,394)
Sales and marketing expenses	(1,170)	-	(1,170)
	(188)	(88)	(276)
Interest income	6	-	6
Interest expense	(188)	(13)	(201)
Share of results in associates, net of tax	220	-	220
Profit before taxation	(150)	(101)	(251)
Tax expense	135	-	135
Profit after taxation	(15)	(101)	(116)
Attributable to:			
Owners of the parent	234	(71)	163
Non-controlling interests	(249)	(30)	(279)
	(15)	(101)	(116)
Earning per share (Sen)			
- Basic	0.06		0.04
- Diluted	0.05		0.03

For the 12 months financial year ended 31 December 2020

	As stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Revenue	91,876	-	91,876
Cost of sales	(62,924)	(136)	(63,060)
Gross Profit	28,952	(136)	28,816
Other operating income	4,959	-	4,959
Administrative and general expenses	(17,856)	(216)	(18,072)
Sales and marketing expenses	(3,245)	-	(3,245)
	12,810	(352)	12,458
Interest income	143	-	143
Interest expense	(6,823)	(54)	(6,877)
Share of results in associates, net of tax	341	-	341
Profit before taxation	6,471	(406)	6,065
Tax expense	(2,122)	-	(2,122)
Profit after taxation	4,349	(406)	3,943
Attributable to:			
Owners of the parent	4,083	(284)	3,799
Non-controlling interests	266	(122)	144
	4,349	(406)	3,943
Earning per share (Sen)			
- Basic	0.96		0.90
- Diluted	0.86		0.80

HCK CAPITAL GROUP BERHAD

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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 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 31 DECEMBER 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 1,040,400 new ordinary shares from the exercise of Warrants as the exercise price of RM0.96 per warrant amounting to RM998,784.
- (b) Issuance of 408,866 new ordinary shares from the Share Grant Plan ("SGP") under the Long Term Incentive Plan ("LTIP") at the issued price of ranging from RM1.20 per shares to RM1.80 per shares.
- (c) Issuance of 20,000 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 31 DECEMBER 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 31 December 2021			
<u>Revenue</u>			
External	33,197	565	33,762
Inter-segment	8,306	6,330	14,636
	<u>41,503</u>	<u>6,895</u>	<u>48,398</u>
Consolidated adjustments and elimination			(14,636)
Consolidated revenue			<u>33,762</u>
<u>Results</u>			
Results before the following adjustments	10,780	5,146	15,926
Consolidated adjustments and elimination	(7,570)	(5,447)	(13,017)
Amortisation of intangible asset	-	(1)	(1)
Depreciation of property and equipment	(21)	(14)	(35)
Depreciation of right of use assets	(256)	(4)	(260)
Loss on disposal of subsidiary	-	-	-
Segment results	<u>2,933</u>	<u>(320)</u>	<u>2,613</u>
Interest income			9
Interest expense			(2,264)
Share of results in associates			(536)
Tax expense			(648)
Consolidated profit after taxation			<u>(826)</u>
Results for 3 months ended 31 December 2020 (Restated)			
<u>Revenue</u>			
External	32,353	594	32,947
Inter-segment	26,330	576	26,906
	<u>58,683</u>	<u>1,170</u>	<u>59,853</u>
Consolidated adjustments and elimination			(26,906)
Consolidated revenue			<u>32,947</u>
<u>Results</u>			
Results before the following adjustments	108	(322)	(214)
Consolidated adjustments and elimination	769	(10)	759
Amortisation of intangible asset	-	(35)	(35)
Depreciation of property and equipment	(22)	(15)	(37)
Depreciation of right of use assets	(663)	(86)	(749)
Segment results	<u>310</u>	<u>(468)</u>	<u>(276)</u>
Interest income			6
Interest expense			(201)
Share of results in associates			220
Tax expense			135
Consolidated profit after taxation			<u>(116)</u>

HCK CAPITAL GROUP BERHAD

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 12 months ended 31 December 2021			
<u>Revenue</u>			
External	114,628	2,061	116,689
Inter-segment	29,482	8,050	37,532
	<u>144,110</u>	<u>10,111</u>	<u>154,221</u>
Consolidated adjustments and elimination			(37,532)
Consolidated revenue			<u>116,689</u>
<u>Results</u>			
Results before the following adjustments	30,551	3,019	33,570
Consolidated adjustments and elimination	(11,367)	(5,424)	(16,791)
Amortisation of intangible asset	-	(22)	(22)
Depreciation of property and equipment	(68)	(62)	(130)
Depreciation of right of use assets	(1,030)	(118)	(1,148)
Loss on disposal of subsidiary	-	(137)	(137)
Segment results	<u>18,086</u>	<u>(2,744)</u>	<u>15,342</u>
Interest income			113
Interest expense			(9,104)
Share of results in associates			-
Tax expense			(3,103)
Consolidated profit after taxation			<u>3,248</u>
	Properties RM'000	Others RM'000	Total RM'000
Results for 12 months ended 31 December 2020 (Restated)			
<u>Revenue</u>			
External	86,792	5,084	91,876
Inter-segment	43,613	3,530	47,143
	<u>130,405</u>	<u>8,614</u>	<u>139,019</u>
Consolidated adjustments and elimination			(47,143)
Consolidated revenue			<u>91,876</u>
<u>Results</u>			
Results before the following adjustments	19,487	713	20,200
Consolidated adjustments and elimination	(2,111)	(2,427)	(4,538)
Amortisation of intangible asset	-	(61)	(61)
Depreciation of property and equipment	(82)	(94)	(176)
Direct operating expenses on investment properties	(859)	-	(859)
Depreciation of right of use assets	(1,285)	(430)	(1,715)
Loss on disposal of subsidiary	(393)	-	(393)
Segment results	<u>14,757</u>	<u>(2,299)</u>	<u>12,458</u>
Interest income			143
Interest expense			(6,877)
Share of results in associates			341
Tax expense			(2,122)
Consolidated profit after taxation			<u>3,943</u>

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UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 31 December 2021			
<u>Assets</u>			
Segment assets	733,200	79,849	813,049
Tax recoverable	758	17	775
Deferred tax assets	1,220	-	1,220
Consolidated total assets	<u>735,178</u>	<u>79,866</u>	<u>815,044</u>
<u>Liabilities</u>			
Segment liabilities	542,507	25,801	568,308
Tax liabilities	711	3	714
Deferred tax liabilities	3,376	-	3,376
Consolidated total liabilities	<u>546,594</u>	<u>25,804</u>	<u>572,398</u>
Segment assets and liabilities as at 31 December 2020 (Restated)			
<u>Assets</u>			
Segment assets	728,284	34,309	762,593
Tax recoverable	352	4	356
Deferred tax assets	1,220	-	1,220
Consolidated total assets	<u>729,856</u>	<u>34,313</u>	<u>764,169</u>
<u>Liabilities</u>			
Segment liabilities	542,547	5,219	547,766
Tax liabilities	671	89	760
Deferred tax liabilities	3,376	-	3,376
Consolidated total liabilities	<u>546,594</u>	<u>5,308</u>	<u>551,902</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 31 December 2021.

A10. Changes in Composition of the Group

There were no other changes in the composition of the Group during the current quarter ended 31 December 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	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
Rental income from a non-controlling interest	-	-	-	1,691

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**QUARTER ENDED 31 DECEMBER 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 31 December 2021**

For the current quarter under review, the Group recorded a revenue of RM33.76 million, which is RM0.82 million higher compared with the previous corresponding financial quarter, due to the higher percentage of completion recorded and sales from its property projects.

The current quarter's Loss Before Tax ("LBT") of RM0.18 million is mainly due to higher interest expense in the current financial quarter.

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

	Current Quarter 31/12/2021 RM'000	Immediate Preceding Quarter 30/9/2021 RM'000
Revenue	33,762	22,587
Profit/(Loss) Before Taxation	(178)	883

The Group recorded an increasing revenue of RM33.76 million (compared to RM22.58 million in the immediate preceding quarter) due to higher percentage of completion recorded and sales from its property projects in the current quarter. The Group reported a LBT of RM0.18 million, mainly due to re-allocation of cost of its property projects 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 31 DECEMBER 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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)	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM '000	RM '000	RM '000	RM '000
Current income tax				
- for the financial period	682	983	3,137	3,240
- under provision in prior financial period	(34)	102	(34)	102
	<u>648</u>	<u>1,085</u>	<u>3,103</u>	<u>3,342</u>
Deferred tax (assets)/liabilities	-	(1,220)	-	(1,220)
	<u>648</u>	<u>(135)</u>	<u>3,103</u>	<u>2,122</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 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	296,722	22,168	318,890	259,533	33,425	292,958
Revolving credit	-	15,000	15,000	-	10,000	10,000
Lease liabilities	225	555	780	248	1,309	1,557
	<u>296,947</u>	<u>37,168</u>	<u>334,670</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 for funding to on-going development projects.

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 31 DECEMBER 2021****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Profit after taxation attributable to ordinary Protequity owners of the parent (RM'000)	(683)	163	2,846	3,799
Weighted average number of ordinary shares in issue ('000)	439,659	424,160	439,659	424,160
Basic earning/(loss) per share (sen)	(0.16)	0.04	0.65	0.90
Profit/(Loss) after taxation attributable to ordinary equity owners of the parent (RM'000)	(683)	163	2,846	3,799
Weighted average number of ordinary shares in issue ('000)	439,659	424,160	439,659	424,160
Shares deemed to issued for no consideration ('000) - warrants	99,396	49,612	99,396	49,612
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	539,055	473,772	539,055	473,772
Diluted earning/(loss) per share (sen)	(0.13)	0.03	0.53	0.80

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	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
This is arrived at after charging/(crediting):				
Interest income	(9)	(6)	(113)	(143)
Interest expense	2,264	201	9,104	6,877
Amortisation of intangible assets	1	35	22	61
Depreciation of property, plant and equipment	35	37	130	176
Depreciation of right of use assets	260	911	1,148	1,931
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 31/12/2021 RM'000	PRECEDING YEAR CORR. QTR FYE2020 31/12/2020 RM'000	CURRENT YEAR TO DATE FYE2021 31/12/2021 RM'000	PRECEDING YEAR CORRESPONDING FYE2020 31/12/2020 RM'000
1 Revenue	33,762	32,947	116,689	91,876
2 Profit before tax	(178)	(251)	6,351	6,065
3 Profit for the period	(826)	(116)	3,248	3,943
4 Profit attributable to ordinary equity	(683)	163	2,846	3,799
5 Basic earning per share (sen)	(0.16)	0.04	0.65	0.90
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)			0.55	0.50

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2021 31/12/2021 RM'000	PRECEDING YEAR CORR. QTR FYE2020 31/12/2020 RM'000	CURRENT YEAR TO DATE FYE2021 31/12/2021 RM'000	PRECEDING YEAR CORRESPONDING FYE2020 31/12/2020 RM'000
1 Gross interest income	9	6	113	143
2 Gross interest expense	2,264	201	9,104	6,877