



HCK CAPITAL GROUP BERHAD
Registration No: 199901010064 (484964-H)

Interim Financial Statement
For the Financial Year Ended 31 December 2022

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2022**

| | Note | <u>Current Quarter</u> | | <u>Cumulative Quarter</u> | |
|--------------------------------------------|------|------------------------|-------------------|---------------------------|-------------------|
| | | <u>(Restated)</u> | | <u>(Restated)</u> | |
| | | <u>31.12.2022</u> | <u>31.12.2021</u> | <u>31.12.2022</u> | <u>31.12.2021</u> |
| | | <u>RM '000</u> | <u>RM '000</u> | <u>RM '000</u> | <u>RM '000</u> |
| Revenue | | 88,473 | 34,318 | 183,620 | 117,058 |
| Cost of sales | | (67,203) | (28,487) | (134,209) | (84,782) |
| Gross Profit | | 21,270 | 5,831 | 49,411 | 32,276 |
| Other operating income | | 1,164 | 8,110 | 3,760 | 11,054 |
| Administrative and general expenses | | (8,220) | (4,045) | (22,681) | (18,705) |
| Sales and marketing expenses | | (432) | (287) | (3,238) | (2,279) |
| | | 13,782 | 9,609 | 27,252 | 22,346 |
| Interest income | | 24 | 8 | 57 | 113 |
| Interest expense | | (2,308) | (2,150) | (9,001) | (11,589) |
| Share of results in associates, net of tax | | - | (7,777) | - | (7,241) |
| Profit before taxation | B13 | 11,498 | (310) | 18,308 | 3,629 |
| Tax expense | B6 | (2,763) | 684 | (5,588) | (1,771) |
| Profit after taxation | | 8,735 | 374 | 12,720 | 1,858 |
| Attributable to: | | | | | |
| Owners of the parent | | 9,466 | 554 | 11,864 | 1,493 |
| Non-controlling interests | | (731) | (180) | 856 | 365 |
| | | 8,735 | 374 | 12,720 | 1,858 |
| Earning per share (Sen) | | | | | |
| - Basic | | 2.08 | 0.13 | 2.61 | 0.34 |
| - Diluted | | 2.08 | 0.10 | 2.60 | 0.28 |

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2022**

| | <u>Current Quarter</u> | | <u>Cumulative Quarter</u> | |
|-------------------------------------------------------------------------|------------------------|-------------------|---------------------------|-------------------|
| | 31.12.2022 | <u>(Restated)</u> | 31.12.2022 | <u>(Restated)</u> |
| | | 31.12.2021 | | 31.12.2021 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Profit after taxation for the period | 8,735 | 374 | 12,720 | 1,858 |
| Other comprehensive income | | | | |
| Item that may not be subsequently reclassified to profit or loss | - | - | - | - |
| Total comprehensive income | <u>8,735</u> | <u>374</u> | <u>12,720</u> | <u>1,858</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 9,466 | 554 | 11,864 | 1,493 |
| Non-controlling interests | (731) | (180) | 856 | 365 |
| | <u>8,735</u> | <u>374</u> | <u>12,720</u> | <u>1,858</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

Unaudited Condensed Consolidated Statements of Financial Position**For the Financial Year Ended 31 December 2022**

| | | (Restated) | (Restated) |
|----------------------------------------------------------------|----------------|----------------|----------------|
| | AS AT | AS AT | AS AT |
| | 31.12.2022 | 31.12.2021 | 01.01.2021 |
| | RM' 000 | RM' 000 | RM' 000 |
| | Unaudited | Audited | Audited |
| ASSETS | | | |
| Non-current assets | | | |
| Investments in associates | - | - | 7,241 |
| Property, plant and equipment | 8,449 | 355 | 407 |
| Investment property | - | - | - |
| Land held for property development | 143,802 | 138,933 | 129,884 |
| Deferred tax assets | 1,355 | 1,355 | 1,220 |
| Goodwill | 4,470 | 4,470 | 4,470 |
| Intangible assets | 8 | 10 | 559 |
| Right of use asset | 39,468 | 38,131 | 39,600 |
| | <u>197,552</u> | <u>183,254</u> | <u>183,381</u> |
| Current assets | | | |
| Inventories | 315,509 | 300,636 | 302,184 |
| Inventories - Property development costs | 168,393 | 138,636 | 109,817 |
| Contract costs | 38 | - | - |
| Trade and other receivables | 86,972 | 114,021 | 123,096 |
| Contract assets | 85,188 | 62,261 | 34,857 |
| Current tax assets | 2,429 | 872 | 356 |
| Short term fund | 289 | 554 | 1,110 |
| Fixed deposit with a licensed bank | 3,247 | 4,409 | 4,322 |
| Cash and bank balances | 55,889 | 16,856 | 5,220 |
| | <u>717,954</u> | <u>638,245</u> | <u>580,962</u> |
| TOTAL ASSETS | <u>915,506</u> | <u>821,499</u> | <u>764,343</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Shares capital | 187,607 | 186,165 | 156,325 |
| Warrants reserve | 8,939 | 8,979 | 10,418 |
| Shares option reserve | 43 | 80 | 85 |
| Translation reserve | 127 | - | - |
| Retained earnings | 49,977 | 38,113 | 37,325 |
| | <u>246,693</u> | <u>233,337</u> | <u>204,153</u> |
| Non-controlling interests | <u>1,480</u> | <u>549</u> | <u>647</u> |
| | <u>248,173</u> | <u>233,886</u> | <u>204,800</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | 6,354 | 4,085 | 5,117 |
| Trade and other payables | 42,864 | 36,157 | 36,983 |
| Long term borrowings | 308,828 | 282,419 | 260,890 |
| | <u>358,046</u> | <u>322,661</u> | <u>302,990</u> |
| Current liabilities | | | |
| Trade and other payables | 193,894 | 177,522 | 153,781 |
| Contract liabilities | 86,545 | 28,616 | 57,278 |
| Current tax liabilities | 1,424 | 644 | 760 |
| Short term borrowings | 27,424 | 58,170 | 44,734 |
| | <u>309,287</u> | <u>264,952</u> | <u>256,553</u> |
| Total liabilities | <u>667,333</u> | <u>587,613</u> | <u>559,543</u> |
| TOTAL EQUITY AND LIABILITIES | <u>915,506</u> | <u>821,499</u> | <u>764,343</u> |
| Net assets per share attributable to owners of the parent (RM) | <u>0.54</u> | <u>0.51</u> | <u>0.48</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**Unaudited Condensed Consolidation Statements of Changes in Equity
For the Financial Year Ended 31 December 2022**

| | ← Attributable to Owners of the Parent → | | | | | | Non-Controlling Interests | Total Equity | |
|---------------------------------------------------------------------------------------|------------------------------------------|-------------------------|---------------------|------------------|-------------------|---------|---------------------------|--------------|-------|
| | Share Capital | Non-Distributable Share | | Warrants Reserve | Distributable | | | | Total |
| | | Option Reserve | Translation Reserve | | Retained Earnings | RM'000 | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| As at 1 January 2021 | 156,325 | 85 | - | 10,418 | 44,792 | 211,620 | 1,000 | 212,620 | |
| Effect of adoption of reassessment of MFRS 15 | - | - | - | - | (8,934) | (8,934) | (353) | (9,287) | |
| As at 1 January 2021 (Restated) | 156,325 | 85 | - | 10,418 | 35,858 | 202,686 | 647 | 203,333 | |
| Contributions by and distributions to owners of the Company: | | | | | | | | | |
| - Conversions of warrants | 27,638 | - | - | - | - | 27,638 | - | 27,638 | |
| - Employees' share options granted | 46 | - | - | - | - | 46 | - | 46 | |
| - Share grant scheme exercised | 712 | - | - | - | - | 712 | - | 712 | |
| - Transfer of share capital upon conversion of ESOS | 5 | (5) | - | - | - | - | - | - | |
| - Transfer of share capital upon conversion of warrants | 1,439 | - | - | (1,439) | - | - | - | - | |
| - Disposal of the subsidiaries | - | - | - | - | - | - | - | - | |
| | 29,840 | (5) | - | (1,439) | - | 28,396 | - | 28,396 | |
| - Changes in a subsidiary's ownership interests that do not result in loss of control | - | - | - | - | (707) | (707) | (463) | (1,170) | |
| Total comprehensive income | - | - | - | - | 2,962 | 2,962 | 365 | 3,327 | |
| As at 31 December 2021 | 186,165 | 80 | - | 8,979 | 38,113 | 233,337 | 549 | 233,886 | |
| As at 1 January 2022 | 186,165 | 80 | - | 8,979 | 47,047 | 242,271 | 549 | 242,820 | |
| Effect of adoption of reassessment of MFRS 15 | | | | | (8,934) | (8,934) | - | (8,934) | |
| As at 1 January 2022 (Restated) | 186,165 | 80 | - | 8,979 | 38,113 | 233,337 | 549 | 233,886 | |
| Contributions by and distributions to owners of the Company: | | | | | | | | | |
| - Conversions of warrants | 776 | - | - | - | - | 776 | - | 776 | |
| - Employees' share options granted | 359 | - | - | - | - | 359 | - | 359 | |
| - Share grant scheme exercised | 230 | - | - | - | - | 230 | - | 230 | |
| - Transfer of share capital upon conversion of warrant | 40 | - | - | (40) | - | - | - | - | |
| - Transfer of share capital upon conversion of ESOS | 37 | (37) | - | - | - | - | - | - | |
| - Shares issued by subsidiaries to non-controlling interest | - | - | - | - | - | - | 75 | 75 | |
| - Translation reserve | - | - | 127 | - | - | 127 | - | 127 | |
| Total comprehensive income | - | - | - | - | 11,864 | 11,864 | 856 | 12,720 | |
| As at 31 December 2022 | 187,607 | 43 | 127 | 8,939 | 49,977 | 246,693 | 1,480 | 248,173 | |

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**Unaudited Condensed Consolidated Statement of Cash Flow
For the Financial Year Ended 31 December 2022**

| | <u>Cumulative Quarter</u> | |
|------------------------------------------------------------------------|---------------------------|-----------------|
| | 31.12.2022 | 31.12.2021 |
| | RM' 000 | RM' 000 |
| Profit before taxation | 18,308 | 3,629 |
| <u>Adjustments for :</u> | | |
| Non-cash items | 2,936 | 3,576 |
| Non-operating items | 9,174 | 12,193 |
| Total adjustments | 12,110 | 15,769 |
| | 30,418 | 19,398 |
| <u>Changes in working capital</u> | | |
| Changes in inventories | (17,470) | 84 |
| Changes in inventories - project development costs | (29,757) | (28,819) |
| Changes in contract costs | (38) | - |
| Changes in contract assets/(liabilities) | 35,002 | (56,066) |
| Changes in trade and other receivables | 32,011 | 2,719 |
| Changes in amount owing to directors | (6,262) | 4,974 |
| Changes in trade and other payables | 23,078 | 22,915 |
| Total changes in working capital | 36,564 | (54,193) |
| Cash flow used in operations | 66,982 | (34,795) |
| Tax paid (net of tax refund) | (1,498) | (3,570) |
| Net cash flows generated from / (used in) operating activities | 65,484 | (38,365) |
| <u>Investing activities</u> | | |
| Interest received | 57 | 113 |
| Addition to property, plant and equipment | (8,358) | (97) |
| Addition in land held for development | (4,869) | (9,049) |
| Proceed from disposal of associate | - | 7,241 |
| Acquisition of non-controlling interest | 75 | - |
| Additional in intangible asset | - | (80) |
| Disposal of a subsidiary, net of cash and cash equivalents disposal of | - | 344 |
| Placement of short-term deposit pledged to a licensed bank | 1,162 | (87) |
| Net cash flows used in investing activities | (11,933) | (1,615) |

HCK CAPITAL GROUP BERHAD

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Unaudited Condensed Consolidated Statement of Cash Flow (Cont'd)

For the Financial Year Ended 31 December 2022

| | <u>Cumulative Quarter</u> | |
|-----------------------------------------------------------------------|---------------------------|----------------------|
| | 31.12.2022 | 31.12.2021 |
| | RM' 000 | RM' 000 |
| <u>Financing activities</u> | | |
| Proceeds from issuance of ordinary shares:- | | |
| - pursuant to conversion of warrant | 776 | 27,638 |
| - pursuant to conversion of ESOS | 359 | 46 |
| Net drawdown/(repayment) of bank borrowings | (4,337) | 35,878 |
| Repayment of lease liabilities | (2,707) | (913) |
| Interest Paid | (9,001) | (11,589) |
| Net cash flows (used in) / generated from financing activities | <u>(14,910)</u> | <u>51,060</u> |
| Net increase in cash and cash equivalents | 38,641 | 11,080 |
| Effects of exchange rate fluctuations on cash and cash equivalents | 127 | - |
| Cash and cash equivalents at beginning of year | <u>15,810</u> | <u>4,730</u> |
| | <u>54,578</u> | <u>15,810</u> |
| <u>Composition of cash and cash equivalents:</u> | | |
| Short term fund | 289 | 554 |
| Cash and bank balances | 55,889 | 16,856 |
| Less: Bank balances held in escrow | <u>(1,600)</u> | <u>(1,600)</u> |
| Cash and cash equivalents at end of period | <u>54,578</u> | <u>15,810</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2022**

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 2021 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 2021 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective from 1 January 2022, as disclosed below:

| MFRSs and/or IC Interpretations (Including The Consequential Amendments) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 |
| Amendments to MFRS 3: Reference to the Conceptual Framework |
| Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use |
| Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract |
| Annual Improvements to MFRS Standards 2018 - 2020: Amendments to MFRS 1 First time adoption of Malaysian Financial Reporting Standards, MFRS 9 Financial instruments and MFRS 141 Agriculture |

The adoption of the above MFRSs does not have any material impact on the financial statements of the Group, except for Prior Year Adjustment ("PYA") on MFRS 15, Revenue from Contracts with Customers and MFRS 123, Borrowing Costs, relates to the accounting treatment for the Developer's Interest Bearing Scheme ("DIBS") over the construction period.

Following the reassessment performed in accordance to MFRS 15 and MFRS 123, the DIBS should have been recorded as a reduction to the contract price. During Covid-19 MCO period, the capitalisation of DIBS was not qualified but to be charged out during a period where the construction development activities were temporarily affected.

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Registration No: 199901010064 (484964-H)

UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation (Cont'd)****Consolidated Statement of Financial Position
As at 31 December 2021**

| | As previously stated RM'000 | Prior year adjustment RM'000 | As restated RM'000 |
|-----------------------------------------------------|-----------------------------------|------------------------------------|-----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 355 | - | 355 |
| Land held for property development | 138,933 | - | 138,933 |
| Deferred tax assets | 1,355 | - | 1,355 |
| Goodwill | 4,470 | - | 4,470 |
| Intangible assets | 10 | - | 10 |
| Right of use asset | 38,131 | - | 38,131 |
| | <u>183,254</u> | <u>-</u> | <u>183,254</u> |
| Current Assets | | | |
| Inventories | 296,479 | 4,157 | 300,636 |
| Inventories - Property development costs | 138,636 | - | 138,636 |
| Contract costs | 6,522 | (6,522) | - |
| Trade and other receivables | 114,021 | - | 114,021 |
| Contract assets | 62,261 | - | 62,261 |
| Current tax assets | 872 | - | 872 |
| Short term fund | 554 | - | 554 |
| Fixed deposit with a licensed bank | 4,409 | - | 4,409 |
| Cash and bank balances | 16,856 | - | 16,856 |
| | <u>640,610</u> | <u>(2,365)</u> | <u>638,245</u> |
| Total Assets | <u>823,864</u> | <u>(2,365)</u> | <u>821,499</u> |
| Equity and Liabilities | | | |
| Equity | | | |
| Share Capital | 186,165 | - | 186,165 |
| Warrant reserve | 8,979 | - | 8,979 |
| Employee share option reserve | 80 | - | 80 |
| Retained profits | 47,047 | (8,934) | 38,113 |
| Equity attributable to owners of the Company | <u>242,271</u> | <u>(8,934)</u> | <u>233,337</u> |
| Non-controlling interests | 549 | - | 549 |
| Total Equity | <u>242,820</u> | <u>(8,934)</u> | <u>233,886</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | 3,377 | 708 | 4,085 |
| Trade and other payables | 36,157 | - | 36,157 |
| Long term borrowings | 282,419 | - | 282,419 |
| | <u>321,953</u> | <u>708</u> | <u>322,661</u> |
| Current liabilities | | | |
| Trade and other payables | 177,522 | - | 177,522 |
| Contract liabilities | 22,755 | 5,861 | 28,616 |
| Current tax liabilities | 644 | - | 644 |
| Short term borrowings | 58,170 | - | 58,170 |
| | <u>259,091</u> | <u>5,861</u> | <u>264,952</u> |
| Total Liabilities | <u>581,044</u> | <u>6,569</u> | <u>587,613</u> |
| Total Equity and Liabilities | <u>823,864</u> | <u>(2,365)</u> | <u>821,499</u> |

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2022****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation (Cont'd)****Consolidated Statement of Financial Position
As at 01 January 2021**

| | As previously stated RM'000 | Prior year adjustment 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 | 558 | 39,600 |
| | <u>182,823</u> | <u>558</u> | <u>183,381</u> |
| Current Assets | | | |
| Inventories | 293,277 | 8,907 | 302,184 |
| 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>581,917</u> | <u>(955)</u> | <u>580,962</u> |
| Total Assets | <u>764,740</u> | <u>(397)</u> | <u>764,343</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 | 45,635 | (8,310) | 37,325 |
| Equity attributable to owners of the Company | <u>212,463</u> | <u>(8,310)</u> | <u>204,153</u> |
| Non-controlling interests | 1,000 | (353) | 647 |
| Total Equity | <u>213,463</u> | <u>(8,663)</u> | <u>204,800</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | 3,377 | 1,740 | 5,117 |
| Trade and other payables | 36,983 | - | 36,983 |
| Long term borrowings | 259,781 | 1,109 | 260,890 |
| | <u>300,141</u> | <u>2,849</u> | <u>302,990</u> |
| Current liabilities | | | |
| Trade and other payables | 153,706 | 75 | 153,781 |
| Contract liabilities | 51,936 | 5,342 | 57,278 |
| Current tax liabilities | 760 | - | 760 |
| Short term borrowings | 44,734 | - | 44,734 |
| | <u>251,136</u> | <u>5,417</u> | <u>256,553</u> |
| Total Liabilities | <u>551,277</u> | <u>8,266</u> | <u>559,543</u> |
| Total Equity and Liabilities | <u>764,740</u> | <u>(397)</u> | <u>764,343</u> |

HCK CAPITAL GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022**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 2021**

| | As previously stated RM'000 | Prior year adjustment RM'000 | As restated RM'000 |
|--------------------------------------------|-----------------------------------|------------------------------------|-----------------------|
| Revenue | 36,186 | (1,868) | 34,318 |
| Cost of sales | (30,443) | 1,956 | (28,487) |
| Gross Profit | 5,743 | 88 | 5,831 |
| Other operating income | 8,110 | - | 8,110 |
| Administrative and general expenses | (4,045) | - | (4,045) |
| Sales and marketing expenses | (287) | - | (287) |
| | <u>9,521</u> | <u>88</u> | <u>9,609</u> |
| Interest income | 8 | - | 8 |
| Interest expense | (2,150) | - | (2,150) |
| Share of results in associates, net of tax | (7,777) | - | (7,777) |
| Profit before taxation | (398) | 88 | (310) |
| Tax expense | (348) | 1,032 | 684 |
| Profit after taxation | (746) | 1,120 | 374 |
| Attributable to: | | | |
| Owners of the parent | (566) | 1,120 | 554 |
| Non-controlling interests | (180) | - | (180) |
| | <u>(746)</u> | <u>1,120</u> | <u>374</u> |
| Earning per share (Sen) | | | |
| - Basic | <u>(0.48)</u> | | <u>0.13</u> |
| - Diluted | <u>(0.43)</u> | | <u>0.10</u> |

For the 12 months financial period ended 31 December 2021

| | As previously stated RM'000 | Prior year adjustment RM'000 | As restated RM'000 |
|--------------------------------------------|-----------------------------------|------------------------------------|-----------------------|
| Revenue | 119,113 | (2,055) | 117,058 |
| Cost of sales | (86,934) | 2,152 | (84,782) |
| Gross Profit | 32,179 | 97 | 32,276 |
| Other operating income | 11,053 | - | 11,054 |
| Administrative and general expenses | (18,705) | - | (18,705) |
| Sales and marketing expenses | (2,279) | - | (2,279) |
| | <u>22,248</u> | <u>97</u> | <u>22,346</u> |
| Interest income | 113 | - | 113 |
| Interest expense | (8,991) | - | (11,589) |
| Share of results in associates, net of tax | (7,241) | - | (7,241) |
| Profit before taxation | 6,129 | 97 | 3,629 |
| Tax expense | (2,802) | 1,031 | (1,771) |
| Profit after taxation | 3,327 | 1,128 | 1,858 |
| Attributable to: | | | |
| Owners of the parent | 2,962 | (1,469) | 1,493 |
| Non-controlling interests | 365 | - | 365 |
| | <u>3,327</u> | <u>(1,469)</u> | <u>1,858</u> |
| Earning per share (Sen) | | | |
| - Basic | <u>0.67</u> | | <u>0.34</u> |
| - Diluted | <u>0.55</u> | | <u>0.28</u> |

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**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2022****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****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:

| MFRSs, Amendments to MFRSs and IC Interpretations | Effective for financial periods beginning on or after |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Amendments to MFRS 16: Leases - Lease Liabilities in a Sale and Leaseback | 01 January 2024 |
| MFRS 17 Insurance Contracts | 01 January 2023 |
| Amendments to MFRS 17: Insurance Contracts | 01 January 2023 |
| Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information | 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 |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 01 January 2023 |

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.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 808,400 new ordinary shares from the exercise of Warrants as the exercise price of RM0.96 per warrant amounting to RM776,064.00
- (b) Issuance of 125,332 new ordinary shares from the Share Grant Plan ("SGP") under the Long Term Incentive Plan ("LTIP") at the issued price of ranging from RM1.22 per share to RM2.16 per share.
- (c) Issuance of 287,000 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 PERIOD ENDED 31 DECEMBER 2022**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information**

| | Properties RM'000 | Others RM'000 | Total RM'000 |
|----------------------------------------------------------------|----------------------|------------------|-----------------|
| Results for 12 months ended 31 December 2022 | | | |
| <u>Revenue</u> | | | |
| External | 182,781 | 1,722 | 183,620 |
| Inter-segment | - | 3,002 | 3,002 |
| | <u>182,781</u> | <u>4,724</u> | <u>186,622</u> |
| Consolidated adjustments and elimination | | | (3,002) |
| Consolidated revenue | | | <u>183,620</u> |
| <u>Results</u> | | | |
| Results before the following adjustments | 32,849 | 13,133 | 45,982 |
| Consolidated adjustments and elimination | (17,559) | (140) | (17,699) |
| Amortisation of intangible asset | - | (2) | (2) |
| Depreciation of property and equipment | (191) | (72) | (263) |
| Depreciation of right of use assets | (1,370) | 604 | (766) |
| Segment results | <u>13,729</u> | <u>13,523</u> | <u>27,252</u> |
| Interest income | | | 57 |
| Interest expense | | | (9,001) |
| Tax expense | | | (5,588) |
| Consolidated profit after taxation | | | <u>12,720</u> |
| Results for 12 months ended 31 December 2021 (Restated) | | | |
| <u>Revenue</u> | | | |
| External | 117,084 | 2,029 | 119,113 |
| Inter-segment | 28,844 | 8,050 | 36,894 |
| | <u>145,928</u> | <u>10,079</u> | <u>156,007</u> |
| Consolidated adjustments and elimination | | | (38,949) |
| Consolidated revenue | | | <u>117,058</u> |
| <u>Results</u> | | | |
| Results before the following adjustments | 31,142 | 5,357 | 36,499 |
| Consolidated adjustments and elimination | (15,119) | (7,546) | (22,665) |
| Amortisation of intangible asset | (3) | (20) | (23) |
| Depreciation of property and equipment | (105) | (24) | (129) |
| Depreciation of right of use assets | (619) | (332) | (951) |
| Gain on disposal of a subsidiary | - | (115) | (115) |
| Segment results | <u>15,296</u> | <u>(2,680)</u> | <u>12,616</u> |
| Interest income | | | 113 |
| Interest expense | | | (8,991) |
| Impairment of trade receivables | | | (109) |
| Tax expense | | | (1,771) |
| Consolidated profit after taxation | | | <u>1,858</u> |

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| | Properties RM'000 | Others RM'000 | Total RM'000 |
|--------------------------------------------------------------|----------------------|------------------|-----------------|
| Segment assets and liabilities as at 31 December 2022 | | | |
| <u>Assets</u> | | | |
| Segment assets | 900,234 | 11,488 | 911,722 |
| Tax recoverable | 2,315 | 114 | 2,429 |
| Deferred tax assets | 1,355 | - | 1,355 |
| Consolidated total assets | <u>903,904</u> | <u>11,602</u> | <u>915,506</u> |
| <u>Liabilities</u> | | | |
| Segment liabilities | 647,212 | 12,343 | 659,555 |
| Tax liabilities | 1,422 | 2 | 1,424 |
| Deferred tax liabilities | 6,354 | - | 6,354 |
| Consolidated total liabilities | <u>654,988</u> | <u>12,345</u> | <u>667,333</u> |
| Segment assets and liabilities as at 31 December 2021 | | | |
| <u>Assets</u> | | | |
| Segment assets | 793,179 | 26,093 | 819,272 |
| Tax recoverable | 855 | 17 | 872 |
| Deferred tax assets | 1,355 | - | 1,355 |
| Consolidated total assets | <u>795,389</u> | <u>26,110</u> | <u>821,499</u> |
| <u>Liabilities</u> | | | |
| Segment liabilities | 576,002 | 6,882 | 582,884 |
| Tax liabilities | 642 | 2 | 644 |
| Deferred tax liabilities | 4,085 | - | 4,085 |
| Consolidated total liabilities | <u>580,729</u> | <u>6,884</u> | <u>587,613</u> |

A9. Material Events Subsequent to The End of Interim Period

On 19th January 2023, a subsidiary of the Group ie HCK Properties Sdn Bhd (“HCKP”) entered into two conditional share sale agreements (SSAs) with the shareholders of Global Activate Sdn Bhd (“GASB”) and Light Odyssey Sdn Bhd (“LOSB”) to acquire the entire equity interest in GASB and LOSB. The consideration paid for each of the acquisition is RM 2.00 in view of the net liabilities position of both the companies at date of acquisition.

The above transactions are deemed related parties’ transactions because the shareholders of GASB are Tan Sri Clement Hii Chii Kok @ Hii Chee Kok (“TSCH”) and Datuk Clifford Hii Toh Leong and TSCH is also a director at GASB. For LOSB, TSCH is a director in this company.

The conditions precedent for both the transactions includes seeking the non-interested shareholders’ approval at an EGM of the Company to be convened in the second quarter of 2023 and the negative covenants in the loan documents with the banks restricting the change in directors and shareholders in GASB and LOSB with prior consent/ approval respectively.

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 2022.

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 | |
|-----------------------------------------------|-----------------|------------|--------------------|------------|
| | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Rental income from a non-controlling interest | - | - | - | - |

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**QUARTER ENDED 31 DECEMBER 2022****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022****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 2022**

For the current quarter under review, the Group recorded a revenue of RM88.47 million, which is RM56.21 million higher compared with the previous corresponding financial quarter. The increase were mainly due to the higher sales and and increase in progress development from its property projects.

The current quarter's Profit Before Tax ("PBT") of RM11.50 million are mainly from the recognition of property sales during current financial quarter.

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

| | Current Quarter 31/12/2022 RM'000 | Immediate Preceding Quarter 30/9/2022 RM'000 |
|--------------------------------|--------------------------------------------|----------------------------------------------------------|
| Revenue | 88,473 | 33,318 |
| Profit Before Taxation ("PBT") | 11,498 | 4,288 |

The Group recorded a revenue of RM88.47 million (compared to RM33.32 million in the immediate preceding quarter). The increase were mainly due to increase in progress in the development projects in the current quarter. The Group reported a PBT of RM11.49 million as compared to immediate preceding quarter's PBT of RM4.29 million, the increase were mainly due to higher sales and percentage of workdone were achieved from its property projects.

B3. Future Prospects

Bank Negara Malaysia has projected Malaysia's economic growth to grow modestly by 4% to 5% in 2023 as global outlook is clouded by concerns of the impact of inflationary pressure, continuing geopolitical tensions and supply chain stresses. The domestic property sector remains challenging in an environment of higher interest rates, persistent inflation reducing the purchasing power and an overhang of excess property inventory in several market centres and property classes.

The Group shall continue to focus on sales of its on-going development projects and ensure completion of the projects on a timely basis. The Group anticipates stronger revenues in financial year 2023 with the delivery of vacant possession of a few phases of its existing development projects. In addition to the above, the Group also plans to launch a few new phases/projects in the coming quarters of this year. While the Group is cautiously optimistic of the overall property in the immediate term, it's confident its quality products would be well received.

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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| | Current Quarter | | Cumulative Quarter | |
|--------------------------------------------|-----------------|--------------|--------------------|--------------|
| | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Current income tax | | | | |
| - for the financial period | 2,840 | (255) | 5,665 | 2,995 |
| - over provision in prior financial period | (77) | - | (77) | (57) |
| | <u>2,763</u> | <u>(255)</u> | <u>5,588</u> | <u>2,938</u> |
| Deferred tax (assets)/liabilities | - | (429) | - | (1,167) |
| | <u>2,763</u> | <u>(684)</u> | <u>5,588</u> | <u>1,771</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 2022 | | | As at 31 December 2021 | | |
|-------------------|------------------------|---------------|----------------|-------------------------|--------------------------|---------------------|
| | Long term | Short term | Total | (Restated) Long term | (Restated) Short term | (Restated) Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Secured</u> | | | | | | |
| Term loans | 307,090 | 21,307 | 328,397 | 282,194 | 42,614 | 324,808 |
| Revolving credit | - | 5,000 | 5,000 | - | 15,000 | 15,000 |
| Lease liabilities | 1,738 | 1,117 | 2,855 | 225 | 556 | 781 |
| | <u>308,828</u> | <u>27,424</u> | <u>336,252</u> | <u>282,419</u> | <u>58,170</u> | <u>340,589</u> |

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

The increase mainly due to the rental commitment for international school in Ipoh.

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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| | Current Quarter | | Cumulative Quarter | |
|----------------------------------------------------------------------------------------------|-----------------|------------|--------------------|------------|
| | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| Profit after taxation attributable to ordinary equity owners of the parent (RM'000) | 9,466 | 554 | 11,864 | 1,493 |
| Weighted average number of ordinary shares in issue ('000) | 454,616 | 440,023 | 454,616 | 440,023 |
| Basic earning/(loss) per share (sen) | 2.08 | 0.13 | 2.61 | 0.34 |
| Profit/(Loss) after taxation attributable to ordinary equity owners of the parent (RM'000) | 9,466 | 554 | 11,864 | 1,493 |
| Weighted average number of ordinary shares in issue ('000) | 454,616 | 440,023 | 454,616 | 440,023 |
| Shares deemed to issued for no consideration ('000) - warrants | 1,095 | 99,567 | 1,095 | 99,567 |
| Weighted average number of ordinary shares for diluted earnings per share computation ('000) | 455,711 | 539,590 | 455,711 | 539,590 |
| Diluted earning/(loss) per share (sen) | 2.08 | 0.10 | 2.60 | 0.28 |

B12. Auditors' report on preceding annual financial statement

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not qualified.

B13. Profit Before Taxation

| | Current Quarter | | Cumulative Quarter | |
|------------------------------------------------|-----------------|------------|--------------------|------------|
| | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| This is arrived at after charging/(crediting): | | | | |
| Interest income | (24) | (8) | (57) | (113) |
| Interest expense | 2,308 | 2,150 | 9,001 | 11,589 |
| Amortisation of intangible assets | 2 | 1 | 2 | 23 |
| Depreciation of property, plant and equipment | 213 | 35 | 263 | 129 |
| Depreciation of right of use assets | 334 | 260 | 766 | 951 |
| Gain on disposal of subsidiary | - | - | - | (115) |

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

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------|
| | CURRENT YEAR QUARTER FYE2022 31/12/2022 RM'000 | PRECEDING YEAR CORR. QTR FYE2021 (Restated) 31/12/2021 RM'000 | CURRENT YEAR TO DATE FYE2022 31/12/2022 RM'000 | PRECEDING YEAR CORRESPONDING FYE2021 (Restated) 31/12/2021 RM'000 |
| 1 Revenue | 88,473 | 34,318 | 183,620 | 117,058 |
| 2 Profit before tax | 11,498 | (310) | 18,308 | 3,629 |
| 3 Profit for the period | 8,735 | 374 | 12,720 | 1,858 |
| 4 Profit attributable to ordinary equity | 9,466 | 554 | 11,864 | 1,493 |
| 5 Basic earning per share (sen) | 2.08 | 0.13 | 2.61 | 0.34 |
| 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) | | | 0.54 | 0.51 |

PART A3 : ADDITIONAL INFORMATION

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--------------------------|------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------|
| | CURRENT YEAR QUARTER FYE2022 31/12/2022 RM'000 | PRECEDING YEAR CORR. QTR FYE2021 (Restated) 31/12/2021 RM'000 | CURRENT YEAR TO DATE FYE2022 31/12/2022 RM'000 | PRECEDING YEAR CORRESPONDING FYE2021 (Restated) 31/12/2021 RM'000 |
| 1 Gross interest income | 24 | 8 | 57 | 113 |
| 2 Gross interest expense | 2,308 | 2,150 | 9,001 | 11,589 |