



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

**Interim Financial Statement**  
**For the Financial Period Ended 30 June 2023**

**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 Period Ended 30 June 2023**

	Note	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		<u>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
		<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Revenue		42,374	29,726	86,982	61,829
Cost of sales		(24,479)	(23,056)	(53,156)	(45,378)
<b>Gross Profit</b>		<b>17,895</b>	<b>6,670</b>	<b>33,826</b>	<b>16,451</b>
Other operating income		315	869	1,912	1,772
Administrative and general expenses		(5,247)	(4,425)	(11,419)	(9,287)
Sales and marketing expenses		(2,445)	(693)	(4,331)	(1,980)
		<b>10,518</b>	<b>2,421</b>	<b>19,988</b>	<b>6,956</b>
Interest income		-	6	0	12
Interest expense		(4,307)	(2,023)	(6,919)	(4,446)
Share of results in associates, net of tax		-	-	-	-
<b>Profit before taxation</b>	B13	<b>6,211</b>	<b>404</b>	<b>13,069</b>	<b>2,522</b>
Tax expense	B6	(2,336)	(652)	(4,819)	(1,372)
<b>Profit after taxation</b>		<b>3,875</b>	<b>(248)</b>	<b>8,250</b>	<b>1,150</b>
<b>Attributable to:</b>					
Owners of the parent		3,200	(393)	7,490	685
Non-controlling interests		675	145	760	465
		<b>3,875</b>	<b>(248)</b>	<b>8,250</b>	<b>1,150</b>
<b>Earning per share (Sen)</b>					
- Basic		0.64	(0.09)	1.49	0.15
- Diluted		0.56	(0.07)	1.30	0.12

**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 Period Ended 30 June 2023**

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Profit after taxation for the period	3,875	(248)	8,250	1,150
<b>Other comprehensive income</b>				
<b>Item that may not be subsequently reclassified to profit or loss</b>				
- Foreign currency translation differences	502	-	502	-
<b>Total comprehensive income</b>	<u>4,377</u>	<u>(248)</u>	<u>8,752</u>	<u>1,150</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	3,702	(393)	7,992	685
Non-controlling interests	675	145	760	465
	<u>4,377</u>	<u>(248)</u>	<u>8,752</u>	<u>1,150</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 2022 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 Period Ended 30 June 2023**

		AS AT 30.06.2023 RM' 000 Unaudited	AS AT 31.12.2022 RM' 000 Audited
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		9,822	8,504
Investment property		-	-
Land held for property development		144,344	143,802
Deferred tax assets		1,355	1,355
Goodwill		4,454	4,470
Intangible assets		6	8
Right of use asset		38,964	39,468
		<u>198,945</u>	<u>197,607</u>
<b>Current assets</b>			
Inventories		361,702	315,267
Inventories - Property development costs		169,865	141,444
Trade and other receivables		163,365	91,728
Contract assets		39,999	43,702
Current tax assets		1,406	977
Short term fund		167	164
Fixed deposit with a licensed bank		8,497	4,534
Cash and bank balances		48,052	54,693
		<u>793,053</u>	<u>652,509</u>
<b>TOTAL ASSETS</b>		<u>991,998</u>	<u>850,116</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Shares capital		233,800	187,608
Warrants reserve		6,652	8,939
Shares option reserve		-	-
Translation reserve		622	120
Retained earnings		57,604	50,114
		<u>298,678</u>	<u>246,781</u>
<b>Non-controlling interests</b>		<u>2,432</u>	<u>1,614</u>
		<u>301,110</u>	<u>248,395</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		5,300	5,301
Trade and other payables		41,425	41,780
Long term borrowings	B8	295,285	299,977
		<u>342,010</u>	<u>347,058</u>
<b>Current liabilities</b>			
Trade and other payables		183,910	197,065
Contract liabilities		127,981	18,601
Current tax liabilities		4,697	1,032
Short term borrowings	B8	32,290	37,965
		<u>348,878</u>	<u>254,663</u>
<b>Total liabilities</b>		<u>690,888</u>	<u>601,721</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>991,998</u>	<u>850,116</u>
Net assets per share attributable to owners of the parent (RM)		<u>0.60</u>	<u>0.54</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 2022 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 Period Ended 30 June 2023**

	← Attributable to Owners of the Parent →						Non-Controlling Interests	Total Equity	
	Share Capital	Non-Distributable Share			Distributable				Total
		Option Reserve	Translation Reserve	Warrants Reserve	Retained Earnings	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>As at 1 January 2022</b>	186,165	80	-	8,979	47,047	242,271	549	242,820	
Prior year adjustment	-	-	-	-	(7,879)	(7,879)	-	(7,879)	
<b>As at 1 January 2022 (Restated)</b>	186,165	80	-	8,979	39,168	234,392	549	234,941	
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	38	(38)	-	-	-	-	-	-	
- ESOS forfeited	-	(42)	-	-	-	(42)	-	(42)	
- Shares issued by subsidiaries to non- controlling interest	-	-	-	-	-	-	75	75	
- Translation reserve	-	-	120	-	-	120	-	120	
Total comprehensive income	-	-	-	-	10,946	10,946	990	11,936	
<b>As at 31 December 2022</b>	187,608	-	120	8,939	50,114	246,781	1,614	248,395	
<b>As at 1 January 2023</b>	187,608	-	120	8,939	50,114	246,781	1,614	248,395	
Contributions by and distributions to owners of the Company:									
- Conversions of warrants	43,905	-	-	-	-	43,905	-	43,905	
- Employees' share options granted	-	-	-	-	-	-	-	-	
- Share grant scheme exercised	-	-	-	-	-	-	-	-	
- Transfer of share capital upon conversion of warrant	2,287	-	-	(2,287)	-	-	-	-	
- Disposal of subsidiaries	-	-	-	-	-	-	(17)	(17)	
- Shares issued by subsidiary to Non Controlling interest	-	-	-	-	-	-	75	75	
- Translation reserve	-	-	502	-	-	502	-	502	
Total comprehensive income	-	-	-	-	7,490	7,490	760	8,250	
<b>As at 30 June 2023</b>	233,800	-	622	6,652	57,604	298,678	2,432	301,110	

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 2022 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 Period Ended 30 June 2023**

	<u>Cumulative Quarter</u>	
	30.06.2023	30.06.2022
	RM' 000	RM' 000
<b>Profit before taxation</b>	13,069	2,522
<b><u>Adjustments for :</u></b>		
Non-cash items	732	555
Non-operating items	6,919	2,417
<b>Total adjustments</b>	<b>7,651</b>	<b>2,972</b>
	<b>20,720</b>	<b>5,494</b>
<b><u>Changes in working capital</u></b>		
Changes in inventories	(46,435)	(5,737)
Changes in inventories - project development costs	(28,420)	1,111
Changes in contract costs	-	536
Changes in contract assets/(liabilities)	113,638	10,993
Changes in trade and other receivables	(72,951)	25,724
Changes in amount owing to directors	-	289
Changes in trade and other payables	(11,680)	(9,977)
<b>Total changes in working capital</b>	<b>(45,848)</b>	<b>22,939</b>
<b>Cash flow used in operations</b>	<b>(25,128)</b>	<b>28,433</b>
Tax paid (net of tax refund)	(1,584)	(433)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>(26,712)</b>	<b>28,000</b>
<b><u>Investing activities</u></b>		
Interest received	-	6
Addition to property, plant and equipment	(4,474)	(29)
Addition in land held for development	(542)	(4,890)
Disposal of a subsidiary, net of cash and cash equivalents disposal of	(266)	-
Placement of short-term deposit pledged to a licensed bank	(3,963)	1,162
<b>Net cash flows used in investing activities</b>	<b>(9,245)</b>	<b>(3,751)</b>

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

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

For the Financial Period Ended 30 June 2023

	<u>Cumulative Quarter</u>	
	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>RM' 000</b>	<b>4697</b>
<b><u>Financing activities</u></b>		
Proceeds from issuance of ordinary shares:-		
- pursuant to conversion of warrant	43,905	49,439
- pursuant to conversion of ESOS	-	-
Proceeds from issuance of shares to non-controlling interest	75	-
Net drawdown/(repayment) of bank borrowings	(7,574)	(15,506)
Repayment of lease liabilities	(168)	(148)
Interest Paid	(6,919)	(2,589)
<b>Net cash flows (used in) / generated from financing activities</b>	<b>29,319</b>	<b>31,196</b>
Net increase in cash and cash equivalents	(6,638)	55,445
Effects of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	53,055	15,810
	<b>46,417</b>	<b>71,255</b>
<b><u>Composition of cash and cash equivalents:</u></b>		
Short term fund	167	556
Cash and bank balances	48,052	22,600
Less: Bank balances held in escrow	(1,802)	(1,600)
<b>Cash and cash equivalents at end of period</b>	<b>46,417</b>	<b>21,556</b>

*The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 30 JUNE 2023

#### 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 2022 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 2022 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective from 1 January 2023, as disclosed below:

MFRSs and/or IC Interpretations (Including The Consequential Amendme
--

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

The adoption of the above MFRSs does not have any material impact on the financial statements of the Group.

As at the date of authorisation of the unaudited interim financial report, the following Standards were issued but not yet effective and have not been adopted by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for financial periods beginning on or
MFRS 17 Insurance Contracts	01 January 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 16: Leases - Lease Liabilities in a Sale and Leaseback	01 January 2024
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: Disclosure of Accounting Policies	01 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-	01 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	01 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	01 January 2023
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.



**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL  
QUARTER ENDED 30 JUNE 2023**

**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 40,215,000 new ordinary shares from the exercise of Warrants as the exercise price of RM0.96 per warrant amounting to RM38,606,400.00

**A7. Dividend Paid**

No dividend was paid during the current financial quarter and previous corresponding financial quarter.

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information**

	Properties RM'000	Others RM'000	Total RM'000
<b>Results for 6 months ended 30 June 2023</b>			
<b><u>Revenue</u></b>			
External	88,594	187	86,982
Inter-segment	956	2,371	3,327
	<u>89,550</u>	<u>2,558</u>	<u>90,309</u>
Consolidated adjustments and elimination			(3,327)
Consolidated revenue			<u>86,982</u>
<b><u>Results</u></b>			
Results before the following adjustments	20,149	(1,263)	18,886
Consolidated adjustments and elimination	457	874	1,331
Amortisation of intangible asset	-	(1)	(1)
Depreciation of property and equipment	(581)	(16)	(597)
Depreciation of right of use assets	(400)	(106)	(506)
Gain on disposal of subsidiaries	-	875	875
Segment results	<u>19,625</u>	<u>363</u>	<u>19,988</u>
Interest income			0
Interest expense			(6,919)
Tax expense			(4,819)
Consolidated profit after taxation			<u>8,250</u>
<b>Results for 6 months ended 30 June 2022</b>			
<b><u>Revenue</u></b>			
External	60,985	844	61,829
Inter-segment	6,555	1,337	7,892
	<u>67,540</u>	<u>2,181</u>	<u>69,721</u>
Consolidated adjustments and elimination			(7,892)
Consolidated revenue			<u>61,829</u>
<b><u>Results</u></b>			
Results before the following adjustments	4,092	(951)	3,141
Consolidated adjustments and elimination	4,300	(3)	4,297
Amortisation of intangible asset	-	-	-
Depreciation of property and equipment	(30)	(20)	(50)
Depreciation of right of use assets	(432)	-	(432)
Gain on disposal of a subsidiary	-	-	-
Segment results	<u>7,930</u>	<u>(974)</u>	<u>6,956</u>
Interest income			12
Interest expense			(4,446)
Impairment of trade receivables			-
Tax expense			(1,372)
Consolidated profit after taxation			<u>1,150</u>

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. Segmental Information (Cont'd)**

	Properties RM'000	Others RM'000	Total RM'000
<b>Segment assets and liabilities as at 30 June 2023</b>			
<b><u>Assets</u></b>			
Segment assets	955,370	33,353	989,237
Tax recoverable	1,364	42	1,406
Deferred tax assets	1,355	-	1,355
Consolidated total assets	<u>958,089</u>	<u>33,909</u>	<u>991,998</u>
<b><u>Liabilities</u></b>			
Segment liabilities	666,594	14,296	680,890
Tax liabilities	5,697	(1,000)	4,697
Deferred tax liabilities	5,300	-	5,300
Consolidated total liabilities	<u>677,591</u>	<u>13,297</u>	<u>690,888</u>
<b>Segment assets and liabilities as at 30 June 2022</b>			
<b><u>Assets</u></b>			
Segment assets	826,004	3,835	829,839
Tax recoverable	1,057	51	1,108
Deferred tax assets	1,355	-	1,355
Consolidated total assets	<u>828,416</u>	<u>3,886</u>	<u>832,302</u>
<b><u>Liabilities</u></b>			
Segment liabilities	579,494	2,951	582,445
Tax liabilities	1,297	1	1,298
Deferred tax liabilities	3,376	-	3,376
Consolidated total liabilities	<u>584,167</u>	<u>2,952</u>	<u>587,119</u>

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

There are no material event subsequent events that have not been reflected in the financial statements for the financial period ended 30 June 2023.

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

There were no other changes in the composition of the Group during the current quarter ended 30 June 2023.

**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	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	RM'000	RM'000	RM'000	RM'000
Rental income from a non-controlling interest	-	-	-	-

**HCK CAPITAL GROUP BERHAD**

(Incorporated in Malaysia)

Registration No: 199901010064 (484964-H)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****QUARTER ENDED 30 JUNE 2023****UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2023****PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of performance****Current Quarter ended 30 June 2023**

For the current quarter under review, the Group recorded a revenue of RM42.37 million, which is RM12.65 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 RM6.21 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 30/6/2023 RM'000	Immediate Preceding Quarter 31/3/2023 RM'000
Revenue	42,374	44,608
Profit Before Taxation ("PBT")	6,211	6,858

The Group recorded a revenue of RM42.37 million (compared to RM44.61 million in the immediate preceding quarter) and reported a PBT of RM6.21 million as compared to immediate preceding quarter's PBT of RM6.86 million. The higher in the immediate preceding quarter because the sales were slightly higher than the current quarter.

**B3. Future Prospects**

This year, the Group continues to sell its on-going development projects and at the same time, it is preparing for the launching of new projects at Sungai Buloh and Semenyih. To date, we had given vacant possession of over 350 units of apartments in the first quarter of this year. For the whole year in 2023, we target to hand over approximately 2,000 units of apartments and other retail units, all located within the Klang Valley.

Aside from its education city series, the Group is creating and building "smart cities" with smart homes. Our smart home system showcases advanced features such as access and control to home appliances and devices, AI security cameras & smart locks, and eco-friendly solar panels. Hence, it creates high-tech security and a convenient living environment for our purchasers. This is in line with the Group's commitment on Environmental, Social and Governance ("ESG") initiatives.

In the meantime, the Group continues to look for quality land to replenish and expand its existing land bank.

**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.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**QUARTER ENDED 30 JUNE 2023**

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2023**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B6. Taxation**

	Current Quarter		Cumulative Quarter	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	RM '000	RM '000	RM '000	RM '000
Current income tax				
- for the financial period	2,336	652	4,819	1,372
- over provision in prior financial period	-	-	-	-
	<u>2,336</u>	<u>652</u>	<u>4,819</u>	<u>1,372</u>
Deferred tax (assets)/liabilities	-	-	-	-
	<u>2,336</u>	<u>652</u>	<u>4,819</u>	<u>1,372</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**

HCK Properties Sdn Bhd, a wholly-owned subsidiary of HCK Capital Group Berhad had entered into a conditional Share Sale Agreement ("SSA") to acquire:-

- i. 7,051,000 ordinary shares in Global Activate Sdn Bhd ("GASB"), representing 100% of the equity interest in GASB for a purchase consideration of RM2.00 to be satisfied entirely via cash; and
- ii. 5,714,286 ordinary shares in Light Odyssey Sdn Bhd ("LOSB"), representing 100% of the equity interest in LOSB for a purchase consideration of RM2.00 to be satisfied entirely via cash.

The completion of the Proposed Acquisitions are pending approval from the non-interested shareholders of HCK Capital Group Berhad at an Extraordinary General Meeting ("EGM") to be convened.

**B8. Borrowings and Debt Securities**

Details of Group's borrowings are as follows:

	As at 30 June 2023			As at 31 December 2022		
	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	295,110	27,180	322,290	298,683	31,181	329,864
Revolving credit	-	5,000	5,000	-	5,000	5,000
Lease liabilities	175	110	285	1,294	1,784	3,078
	<u>295,285</u>	<u>32,290</u>	<u>327,575</u>	<u>299,977</u>	<u>37,965</u>	<u>337,942</u>

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

**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.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**QUARTER ENDED 30 JUNE 2023**

**UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2023**

**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	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
Profit after taxation attributable to ordinary equity owners of the parent (RM'000)	3,200	(393)	7,490	685
Weighted average number of ordinary shares in issue ('000)	501,513	453,560	501,513	453,560
Basic earning/(loss) per share (sen)	0.64	(0.09)	1.49	0.15
Profit/(Loss) after taxation attributable to ordinary equity owners of the parent (RM'000)	3,200	(393)	7,490	685
Weighted average number of ordinary shares in issue ('000)	501,513	453,560	501,513	453,560
Shares deemed to issued for no consideration ('000) - warrants	73,635	99,026	73,635	99,026
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	575,148	552,586	575,148	552,586
Diluted earning/(loss) per share (sen)	0.56	(0.07)	1.30	0.12

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

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not qualified.

**B13. Profit Before Taxation**

	Current Quarter		Cumulative Quarter	
	30/6/2023 RM'000	30/6/2022 RM'000	30/6/2023 RM'000	30/6/2022 RM'000
This is arrived at after charging/(crediting):				
Interest income	-	(6)	(0)	(12)
Interest expense	4,307	2,023	6,919	4,446
Amortisation of intangible assets	1	-	1	-
Depreciation of property, plant and equipment	317	26	597	50
Depreciation of right of use assets	(97)	222	506	432
Gain on disposal of subsidiary	-	-	(875)	-

**HCK CAPITAL GROUP BERHAD**

**PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2023 30/6/2023 RM'000	PRECEDING YEAR CORR. QTR FYE2022 30/6/2022 RM'000	CURRENT YEAR TO DATE FYE2023 30/6/2023 RM'000	PRECEDING YEAR CORRESPONDING FYE2022 30/6/2022 RM'000
1 Revenue	42,374	29,726	86,982	61,829
2 Profit before tax	6,211	404	13,069	2,522
3 Profit for the period	3,875	(248)	8,250	1,150
4 Profit attributable to ordinary equity	3,200	(393)	7,490	685
5 Basic earning per share (sen)	0.64	(0.09)	1.49	0.15
6 Proposed/Declared dividend per share (sen)	-	-	-	-
			<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			0.60	0.54

**PART A3 : ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER FYE2023 30/6/2023 RM'000	PRECEDING YEAR CORR. QTR FYE2022 30/6/2022 RM'000	CURRENT YEAR TO DATE FYE2023 30/6/2023 RM'000	PRECEDING YEAR CORRESPONDING FYE2022 30/6/2022 RM'000
1 Gross interest income	-	6	0	12
2 Gross interest expense	4,307	2,023	6,919	4,446