



EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No. 202101028602 (1428902-D)]

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Revenue		24,928	15,165	52,034	30,259
Cost of sales		(16,951)	(9,350)	(36,728)	(18,902)
Gross profit		7,977	5,815	15,306	11,357
Other operating income		199	294	425	571
General and administration expenses		(2,518)	(1,815)	(3,866)	(2,879)
Profit from operations		5,658	4,294	11,865	9,049
Finance costs		(858)	(699)	(1,877)	(1,072)
Profit before tax	B4	4,800	3,595	9,988	7,977
Tax expense	B5	(1,348)	(977)	(2,776)	(2,109)
Total comprehensive income		3,452	2,618	7,212	5,868
Profit attributable to:					
Owners of the Company		3,452	2,618	7,212	5,868
Earnings per share ("EPS")					
Basic and diluted (sen) ^{(2) (3)}	B12	0.41	0.31	0.85	0.69

Notes:

- (1) The basis of preparation of this Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income has been set out in Note A1 of this interim financial report, and should be read in conjunction with the Accountants' Report as set out in the prospectus of Evergreen Max Cash Capital Berhad ("Company") dated 29 August 2023 in relation to its initial public offering ("IPO") ("Prospectus") as well as the accompanying explanatory notes in this interim financial report.
- (2) Computed based on total profit attributable to the owners of our Company divided by the weighted average number of ordinary shares in our Company ("Shares") of 847,302,499 Shares during the current and cumulative quarters.
- (3) Diluted EPS for the current and cumulative quarters are equivalent to the basic EPS of our Company as our Company does not have any dilutive instruments during the financial period ended ("FPE") 30 June 2023 and 30 June 2022 respectively.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Note	UNAUDITED 30.06.2023 RM'000	AUDITED 31.12.2022 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		2,811	3,092
Right-of-use assets		10,292	10,939
Investment properties		12,956	13,090
		<u>26,059</u>	<u>27,121</u>
Current Assets			
Inventories		1,139	648
Trade receivables		165,768	165,292
Other receivables, deposit and prepayments		2,612	1,655
Current tax assets		125	420
Cash and bank balances		9,770	17,263
		<u>179,414</u>	<u>185,278</u>
TOTAL ASSETS		<u>205,473</u>	<u>212,399</u>
EQUITY AND LIABILITIES			
EQUITY			
Shares capital		90,026	90,026
Retained earnings		24,951	17,739
Merger reserves		20,350	20,350
TOTAL EQUITY		<u>135,327</u>	<u>128,115</u>
LIABILITIES			
Non-Current Liabilities			
Borrowings	B8	45,959	45,615
Lease liabilities	B8	12,383	12,926
Deferred tax liabilities		171	156
		<u>58,513</u>	<u>58,697</u>
Current Liabilities			
Trade payables		69	114
Other payables and accruals		1,097	2,322
Borrowings	B8	7,872	21,247
Lease liabilities	B8	1,054	1,000
Current tax liabilities		1,541	904
		<u>11,633</u>	<u>25,587</u>
TOTAL LIABILITIES		<u>70,146</u>	<u>84,284</u>
TOTAL EQUITY AND LIABILITIES		<u>205,473</u>	<u>212,399</u>
Net assets per share attributable to owners of the Company (RM) ⁽²⁾	B13	<u>0.16</u>	<u>0.15</u>



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED) ⁽¹⁾

Notes:

- (1) The basis of preparation of this Unaudited Condensed Consolidated Statements of Financial Position has been set out in Note A1 of this interim financial report, and should be read in conjunction with the Accountants' Report as set out in the Prospectus as well as the accompanying explanatory notes in this interim financial report.
- (2) Computed based on total equity divided by the number of Shares in issue as at 30 June 2023 and 31 December 2022 of 847,302,499 Shares respectively.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	<----- Attributable to owners of the Company ----->			
	<--Non-Distributable-->	Distributable		Total
	Share capital	Merger reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	90,026	20,350	(2,312)	108,064
Total comprehensive income for the financial period	-	-	20,051	20,051
Balance as at 30 June 2022	90,026	20,350	17,739	128,115
Balance as at 1 January 2023	90,026	20,350	17,739	128,115
Total comprehensive income for the financial period	-	-	7,212	7,212
Balance as at 30 June 2023	90,026	20,350	24,951	135,327

Note:

- (1) The basis of preparation of this Unaudited Condensed Consolidated Statements of Changes in Equity has set out in Note A1 of this interim financial report, and should be read in conjunction with the Accountants' Report as set out in the Prospectus as well as the accompanying explanatory notes in this interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	CUMULATIVE QUARTER	
	UNAUDITED	UNAUDITED
	30.06.2023	30.06.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	9,988	7,977
Adjustments for:		
Bad debts written off	26	8
Depreciation of:		
- investment properties	134	158
- property, plant and equipment	399	436
- right-of-use assets	647	649
Interest income	(108)	-
Interest expense	2,353	1,594
Loss on foreign exchange (unrealised)	1,380	250
Property, plant and equipment written off	-	11
Rental concession	(39)	(36)
Operating profit before working capital changes	14,780	11,047
Changes in working capital:		
Inventories	(491)	2,260
Trade receivables	(502)	(21,193)
Other receivables, deposits & prepayments	(958)	(804)
Trade payables	(45)	18
Other payable and accruals	(1,223)	(872)
Cash generated/(used in) from operations	11,561	(9,544)
Interest received	108	-
Interest paid	(51)	(86)
Tax paid	(1,830)	(2,040)
Net cash from/(used in) operating activities	9,788	(11,670)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(119)	(158)
Net cash used in investing activities	(119)	(158)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED) ⁽¹⁾

	CUMULATIVE QUARTER	
	UNAUDITED	UNAUDITED
	30.06.2023	30.06.2022
	RM'000	RM'000
Cash flows from financing activities		
Bank borrowing interest paid	(1,826)	(829)
Lease liabilities interest paid	(476)	(522)
Loan interest paid	-	(157)
Drawdown of bank borrowings	6,000	26,867
Repayment of bank borrowings	(20,785)	(75)
Net change in advance from related companies	-	2,766
Repayment of lease liabilities	(450)	(409)
Net cash (used in)/from financing activities	(17,537)	27,641
Net (decrease)/ increase in cash and cash equivalents	(7,868)	15,813
Cash and cash equivalents at beginning of the financial period	17,258	(595)
Cash and cash equivalents at end of the financial period	9,390	15,218
Cash and bank balances	9,770	15,218
Less: Bank overdraft	(380)	-
	9,390	15,218

Note:

- (1) The basis of preparation of this Unaudited Condensed Consolidated Statements of Cash Flows has been set out in Note A1 of this interim financial report, and should be read in conjunction with the Accountants' Report as set out in the Prospectus as well as the accompanying explanatory notes in this interim financial report.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This interim financial report of Evergreen Max Cash Capital Berhad and its subsidiaries (collectively, the “Group”) are unaudited and have been prepared in accordance with MFRS 134 - Interim Financial Reporting, and paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”). These unaudited condensed consolidated interim financial statements also comply with the International Accounting Standards (“IAS”) 34 - Interim Financial Reporting issued by the International Accounting Standards Board.

This unaudited interim financial report should be read in conjunction with the Accountants’ Report as set out in the Prospectus as well as the accompanying explanatory notes in this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and presentation adopted by our Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus for the adoption of following Amendments to MFRSs:

- (a) Our Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – corporation information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on our Group’s interim financial report.

- (b) Our Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial period:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between An Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is not expected to have any material impact on the financial statements of our Group upon their initial application.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

PART A – SELECTED EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING (CONTINUED)

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of our Group for the financial year ended 31 December 2022.

A4. Seasonal or Cyclical Factors

Our Group's pawnbroking business is subject to seasonal demand whereby redemption of pawn loans are typically higher prior to festive seasons (such as Hari Raya), whilst demand for pawn loans are typically higher after festive seasons.

A5. Material Unusual Items

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of our Group during the current and cumulative financial quarters under review.

A6. Material Changes in Estimates

There were no material changes in estimates for the current and cumulative financial quarters under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current and cumulative financial quarters under review.

A8. Dividend Paid

There were no dividend paid during the current and cumulative financial quarters under review.

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PART A – SELECTED EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING (CONTINUED)

A9. Segment Information

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, our Group is organised into business units based on their revenue stream, namely pawnbroking, retail and trading of gold and luxury products and others (which mainly comprise our Group's businesses of provision of pawnbroking consultancy services and information technology solutions to third party pawnbrokers). No segmental analysis by geographical is prepared as our Group operated predominantly in Malaysia.

Cumulative Quarter Ended 30 June 2023	Gold and luxury products retail and trading			Consolidation adjustments	Total
	Pawnbroking	and trading	Others		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total external revenue	16,351	35,676	7	-	52,034
Inter-segment revenue	26,732	-	3,099	(29,831)	-
Total segment revenue	43,083	35,676	3,106	(29,831)	52,034
Segment results					
Operating results	8,715	2,555	487	-	11,757
Finance income	-	-	108	-	108
Finance costs	(710)	-	(1,167)	-	(1,877)
Profit/(loss) before tax	8,005	2,555	(572)	-	9,988
Tax expense	(2,093)	(665)	(19)	-	(2,776)
Net profit/(loss) after tax	5,912	1,890	(591)	-	7,212
Segment assets	196,054	1,497	7,922	-	205,473
Segment liabilities	39,806	150	30,190	-	70,146
Depreciation	1,097	25	58	-	1,180



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PART A – SELECTED EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING (CONTINUED)

A9. Segment Information (continued)

Cumulative Quarter Ended 30 June 2022	Gold and luxury products retail and trading			Consolidation adjustments	Total
	Pawnbroking		Others		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total external revenue	12,837	16,416	1,006	-	30,259
Inter-segment revenue	10,730	-	1,548	(12,278)	-
Total segment revenue	23,567	16,416	2,554	(12,278)	30,259
Segment results					
Operating results	7,918	763	368	-	9,049
Finance costs	(697)	-	(375)	-	(1,072)
Profit/(loss) before tax	7,221	763	(7)	-	7,977
Tax expense	(1,701)	(168)	(240)	-	(2,109)
Net profit/(loss) after tax	5,520	595	(247)	-	5,868
Segment assets	172,177	5,039	13,440	-	190,656
Segment liabilities	42,130	40	34,554	-	76,724
Depreciation	1,158	25	60	-	1,243



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PART A – SELECTED EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING (CONTINUED)

A10. Significant Events Subsequent to the End of the Current Period

Save as disclosed in Note B6 below, there are no other significant events subsequent to the current financial quarter under review.

A11. Capital Commitments

There were no material capital commitments during the current financial quarter under review.

A12. Contingent Assets and Liabilities

There were no contingent assets and liabilities as at 30 June 2023.

A13. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities during the current financial quarter under review.

A14. Valuation of Property, Plant and Equipment

There were no valuation being carried out on the Group's property, plant and equipment during the current financial quarter under review.

A15. Changes in the Composition of the Group

There were no changes in our Group's composition during the current financial quarter under review.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND FINANCIAL PERIOD TO DATE

Comparison between the current financial quarter i.e. second quarter of the financial year ending 31 December 2023 (“2Q FYE 2023”) as compared to the second quarter of the financial year ended 31 December 2022 (“2Q FYE 2022”)

Our Group recorded an increase in revenue by RM9.8 million (64.4%) during the 2Q FYE 2023 as compared to the 2Q FYE 2022 mainly due to the following key factors:

- (i) higher revenue from our pawnbroking business by RM1.5 million (22.3%), mainly due to higher pawn loans disbursed by RM8.9 million (10.2%) during the 2Q FYE 2023.

The said increase in pawn loans disbursed was mainly due to availability of more cash capital for our pawnbroking business *via* drawdown of banking facilities in June 2022 and December 2022 totalling RM42.0 million.

- (ii) higher revenue from our gold and luxury products retail and trading business by RM8.9 million (111.6%) mainly due to:
 - (a) higher sales volume of unredeemed pledged gold items under our pawnbroking business that are not in good condition to gold trading companies and scrap gold collectors (2Q FYE 2022: 17.8kg; 2Q FYE 2023: 37.0kg) by RM6.0 million (127.5%). Such sales were part of our cash recovery process under our pawnbroking business; and
 - (b) higher sales volume of pre-owned gold products (2Q FYE 2022: 6.9kg; 2Q FYE 2023: 20.7kg), whereby the increase was mainly due to higher acquisition of pre-owned gold products from the following for onward sales:
 - (1) unredeemed pledged gold items that are in good condition under our pawnbroking business for onward retail sales at our “Cahaya Gold” retail outlets (2Q FYE 2022: 7.4kg; 2Q FYE 2023: 16.2kg); and
 - (2) pre-owned gold products sourced from other third party pawnshops for onward sales to others (2Q FYE 2022: 2.2kg; 2Q FYE 2023: 5.8kg).

In tandem with the growth in our Group’s revenue, our Group recorded an increase in gross profit by RM2.2 million (37.2%) during the 2Q FYE 2023 as compared to the 2Q FYE 2022, and a corresponding increase in profit after tax by RM0.8 million (31.9%).

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND FINANCIAL PERIOD TO DATE (CONTINUED)

Comparison between the cumulative financial quarter to date i.e. FPE 30 June 2023 as compared to FPE 30 June 2022

Our Group recorded an increase in revenue by RM21.8 million (72.0%) during the FPE 30 June 2023 as compared to the FPE 30 June 2022 mainly due to the following key factors:

- (i) higher revenue from our pawnbroking business by RM3.5 million (27.4%), mainly due to higher pawn loans disbursed by RM29.0 million (17.3%) during the FPE 30 June 2023.

The said increase in pawn loans disbursed was mainly due to availability of more cash capital for our pawnbroking business *via* drawdown of banking facilities in June 2022 and December 2022 totalling RM42.0 million; and

- (ii) higher revenue from our gold and luxury products retail and trading business by RM19.3 million (119.3%) mainly due to:
 - (a) higher sales volume of unredeemed pledged items under our pawnbroking business that are not in good condition to gold trading companies and scrap gold collectors (FPE 30 June 2022: 38.7kg; FPE 30 June 2023: 80.7kg) by RM12.4 million (122.8%). Such sales are part of our cash recovery process under our pawnbroking business.
 - (b) higher sales volume of pre-owned gold products (FPE 30 June 2022: 11.5 kg; FPE 30 June 2023: 37.5 kg) whereby the increase was mainly due to higher acquisition of pre-owned gold products from the following for onward sales:
 - (1) unredeemed pledged gold items that are in good condition under our pawnbroking business for onward retail sales at our “Cahaya Gold” retail outlets (2Q FYE 2022: 7.4kg; 2Q FYE 2023: 16.2kg); and
 - (2) pre-owned gold products sourced from other third party pawnshops for onward sales to others (2Q FYE 2022: 2.2kg; 2Q FYE 2023: 5.8kg).

In tandem with the growth in our Group’s revenue, our Group recorded an increase in gross profit by RM3.9 million (34.8%) during the FPE 30 June 2023 as compared to the FPE 30 June 2022, and a corresponding increase in profit after tax by RM1.3 million (22.9%).

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

B2. PROSPECTS

Our Board of Directors (“**Board**”) is optimistic of our Group’s prospects after having considered, amongst others, our future plans as follows:

(i) expansion of our pawnbroking business

Our Group is committed to continue growing our pawnbroking business as we foresee that there will be continuing and increasing demand for pawn loans, especially amongst the unbanked and underbanked population in Malaysia.

As part of our expansion plan, we intend to open 5 new “Pajaking” pawnshops in Kuala Lumpur, Selangor and Pahang in year 2024. In addition, we also intend to increase the cash capital of our pawnbroking business by RM30.0 million using part of the proceeds to be raised from our IPO. The anticipated increase in cash capital would in turn enable our “Pajaking” pawnshops to disburse more pawn loans to our pawnbroking customers and thereby, enabling us to earn more interest income from the pawn loans disbursed.

(ii) increase market visibility of our gold and luxury products retail and trading business.

We recognise the importance of digital marketing in the current business environment and are increasing our efforts in online advertising and promotions in order to enhance the digital presence of our gold products retail business. As part of this strategy, we intend to, amongst others, invest more in sponsored advertisements in order to further advertise our gold products retail business as well as to recruit additional online sales teams in order to grow the digital retail sales of our gold products.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST OF PROFIT GUARANTEE

Our Group did not issue any profit forecast or profit guarantee in any form of public documentation and announcement.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

B4. PROFIT BEFORE TAX

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Bad debts written off	19	8	26	8
Depreciation of:				
- investment properties	67	79	134	158
- property, plant and equipment	200	219	399	436
- right-of-use assets	324	339	647	649
Interest expense	1,092	971	2,353	1,594
Interest income	(41)	-	(108)	-
Loss on foreign exchange (unrealised)	1,377	250	1,380	250
Rental income from investment property	158	258	317	513

Save as disclosed above, the other disclosure items pursuant to Paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

B5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Current tax recognised in profit or loss:				
- Malaysian income tax	1,348	977	2,776	2,109
Effective tax rate (%)	28.08%	27.18%	27.79%	26.44%
Statutory income tax rate (%)	24.00%	24.00%	24.00%	24.00%

Our Group's effective tax rate during the current financial quarter and financial period-to-date are higher than the statutory income tax rate of 24.0% mainly due to higher unrealised foreign exchange loss incurred during the FPE 30 June 2023 by RM1.13 million as compared to the FPE 30 June 2022.



EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

B6. STATUS OF CORPORATE PROPOSAL

On 29 August 2023, our Company had issued the Prospectus in relation to our IPO which comprise a public issue of 267,600,000 new Shares and an offer for sale of 43,000,000 existing Shares at an IPO price of RM0.24 per Share.

Our Company's entire enlarged issued share capital of 1,114,902,499 Shares is expected to be listed on the ACE Market of Bursa Securities on 26 September 2023 ("**Listing**").

Save for the Listing, there are no other corporate proposals announced by our Company but pending completion as at the date of this unaudited interim financial report.

B7. UTILISATION OF PROCEEDS FROM THE IPO

Proceeds to be raised from our public issue totalling RM64.0 million will be utilised in the following manner:

Purpose	RM'000	%	Estimated timeframe for utilisation from the Listing date
Expansion of pawnshops	20,000	31.1	Within 24 months
Cash capital for our pawnbroking business	30,000	46.7	Within 24 months
Repayment of bank borrowings	4,000	6.2	Within 1 month
Working capital	5,624	8.8	Within 12 months
Estimated Listing expenses	4,600	7.2	Within 1 month
Total	64,224	100.0	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus. As at the date of this unaudited interim financial report, the IPO is pending completion and therefore, the said proceeds have yet to be raised and utilised.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

B8. BORROWINGS

	UNAUDITED 30.06.2023 RM'000	AUDITED 31.12.2022 RM'000
<u>Current Liabilities</u>		
Secured		
Revolving credit	6,000	20,000
Bank overdraft	380	5
Term loan	1,492	1,242
Unsecured		
Lease liabilities	1,054	1,000
	8,926	22,247
<u>Non-Current Liabilities</u>		
Secured		
Term loan	22,564	23,540
Unsecured		
USD-denominated borrowing	23,395	22,075
Lease liabilities	12,383	12,926
	58,342	58,541
Total Liabilities	67,268	80,788

All borrowings are denominated in Ringgit Malaysia except for the USD-denominated borrowing which is denominated in the United States Dollar.

B9. DERIVATIVES

Our Group did not enter into any derivatives during the current financial quarter and financial period to date under review.

B10. MATERIAL LITIGATION

As at the date of this report, our Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant which may have a material effect on the financial position or business of our Group and our Board is not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.



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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

B11. DIVIDEND PROPOSED

No dividend was declared or recommended for payment by our Board during the current financial quarter and financial period to date.

B12. EARNING PER SHARES (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of our Company	3,452	2,618	7,212	5,868
Number of Shares in issue	847,302,499	847,302,499	847,302,499	847,302,499
Basic/Diluted EPS (sen) ⁽¹⁾	0.41	0.31	0.85	0.69

Note:

(1) Our Group's basic earnings per Share is equivalent to diluted earnings per share as our Company does not have convertible securities as at the end of the respective financial periods.

B13. NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDER

	UNAUDITED	AUDITED
	30.06.2023	31.12.2022
	RM'000	RM'000
Net assets attributable to owners of our Company	135,327	128,115
Number of Shares in issue	847,302,499	847,302,499
Net assets per Share attributable to owners of our Company (RM)	0.16	0.15

By Order of the Board

Low Kai Loon

Executive Director

19 September 2023