



EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No. 202101028602 (1428902-D)]

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Revenue		22,761	15,414	74,795	45,672
Cost of sales		(14,552)	(9,744)	(51,280)	(28,646)
Gross profit		8,209	5,670	23,515	17,026
Other operating income		202	327	627	898
General and administration expenses		(3,072)	(2,323)	(6,939)	(5,202)
Profit from operations		5,339	3,674	17,203	12,722
Finance costs		(850)	(871)	(2,727)	(1,943)
Profit before tax	B4	4,489	2,803	14,476	10,779
Tax expense	B5	(1,509)	(1,160)	(4,285)	(3,269)
Total comprehensive income		2,980	1,643	10,191	7,510
Profit attributable to:					
Owners of the Company		2,980	1,643	10,191	7,510
Earnings per share ("EPS")					
Basic and diluted (sen) ^{(2) (3)}	B12	0.35	0.19	1.20	0.89

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 851,019,166 Shares and 847,302,499 Shares during the current and cumulative quarters for the financial period ended ("FPE") 30 September 2023 and 30 September 2022 respectively.
- (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 FPE 30 September 2023 and 30 September 2022 respectively.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Note	UNAUDITED 30.09.2023 RM'000	AUDITED 31.12.2022 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		2,702	3,092
Right-of-use assets		9,968	10,939
Investment properties		12,888	13,090
		<u>25,558</u>	<u>27,121</u>
Current Assets			
Inventories		1,495	648
Trade receivables		174,944	165,292
Other receivables, deposit and prepayments		1,761	1,655
Current tax assets		471	420
Cash and bank balances		60,410	17,263
		<u>239,081</u>	<u>185,278</u>
TOTAL ASSETS		<u>264,639</u>	<u>212,399</u>
EQUITY AND LIABILITIES			
EQUITY			
Shares capital		152,238	90,026
Retained earnings		27,930	17,739
Merger reserves		20,350	20,350
TOTAL EQUITY		<u>200,518</u>	<u>128,115</u>
LIABILITIES			
Non-Current Liabilities			
Borrowings	B8	45,727	45,615
Lease liabilities	B8	12,087	12,926
Deferred tax liabilities		171	156
		<u>57,985</u>	<u>58,697</u>
Current Liabilities			
Trade payables		40	114
Other payables and accruals		1,964	2,322
Borrowings	B8	1,437	21,247
Lease liabilities	B8	1,093	1,000
Current tax liabilities		1,602	904
		<u>6,136</u>	<u>25,587</u>
TOTAL LIABILITIES		<u>64,121</u>	<u>84,284</u>
TOTAL EQUITY AND LIABILITIES		<u>264,639</u>	<u>212,399</u>
Net assets per share attributable to owners of the Company (RM) ⁽²⁾	B13	0.18	0.15



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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 of 1,114,902,499 as at 30 September 2023 and 847,302,499 as at 31 December 2022 respectively.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	<----- Attributable to owners of the Company ----->			
	<--Non-Distributable-->		Distributable	
	Share capital	Merger reserves	Retained profits	Total
	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 31 December 2022	90,026	20,350	17,739	128,115
Balance as at 1 January 2023	90,026	20,350	17,739	128,115
Issuance of shares pursuant to IPO	62,212	-	-	62,212
Total comprehensive income for the financial period	-	-	10,191	10,191
Balance as at 30 September 2023	152,238	20,350	27,930	200,518

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	CUMULATIVE QUARTER	
	UNAUDITED	UNAUDITED
	30.09.2023	30.09.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	14,476	10,779
Adjustments for:		
Bad debts written off	46	14
Depreciation of:		
- investment properties	201	238
- property, plant and equipment	595	643
- right-of-use assets	971	984
Interest income	(153)	(5)
Interest expense	3,442	2,706
Loss on foreign exchange (unrealised)	1,466	1,308
Gain on disposal of property, plant and equipment	-	(47)
Property, plant and equipment written off	2	11
Rental concession	(51)	(59)
Operating profit before working capital changes	20,995	16,572
Changes in working capital:		
Inventories	(847)	802
Trade receivables	(9,699)	(37,156)
Other receivables, deposits & prepayments	(107)	(661)
Trade payables	(74)	284
Other payable and accruals	(356)	(654)
Cash generated/(used in) from operations	9,912	(20,813)
Interest received	153	5
Interest paid	(108)	(120)
Tax paid	(3,623)	(3,341)
Net cash from/(used in) operating activities	6,334	(24,269)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(207)	(189)
Proceed from disposal of property, plant and equipment	-	116
Net cash used in investing activities	(207)	(73)



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

	CUMULATIVE QUARTER	
	UNAUDITED	UNAUDITED
	30.09.2023	30.09.2022
	RM'000	RM'000
Cash flows from financing activities		
Proceeds from IPO	62,212	-
Bank borrowing interest paid	(2,619)	(1,493)
Lease liabilities interest paid	(715)	(763)
Loan interest paid	-	(330)
Drawdown of bank borrowings	6,000	26,867
Repayment of bank borrowings	(27,158)	(436)
Net change in advance from related companies	-	2,739
Repayment of lease liabilities	(695)	(538)
Net cash from financing activities	37,025	26,046
Net increase in cash and cash equivalents	43,152	1,704
Cash and cash equivalents at beginning of the financial period	17,258	(595)
Cash and cash equivalents at end of the financial period	60,410	1,109
Cash and bank balances	60,410	5,630
Less: Bank overdraft	-	(4,521)
	60,410	1,109

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 our Company and subsidiaries (collectively, “**Group**”) are unaudited and have been prepared in accordance with MFRS 134 - Interim Financial Reporting, and Rule 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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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

Our Company had on 25 September 2023 issued and allotted 267,600,000 new Shares at an issue price of RM0.24 each in conjunction with our Company's listing on the ACE Market of Bursa Securities. The entire enlarged issued share capital of our Company of RM152.2 million comprising 1,114,902,499 Shares were listed on the ACE Market of Bursa Securities on 26 September 2023 ("**Listing**").

Save as disclosed above, there were no other 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

Our Chief Financial Officer reviews our Group’s internal management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis. For management purposes, our Group is organised into business units based on the nature of revenue stream generated, 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 geographical segmental analysis is prepared as our Group operates predominantly in Malaysia.

Cumulative Quarter Ended 30 September 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					
External revenue	24,827	49,952	16	-	74,795
Inter-segment revenue	38,139	-	4,664	(42,803)	-
Total	62,966	49,952	4,680	(42,803)	74,795
Segment results					
Operating results	13,253	4,162	(365)	-	17,050
Finance income	-	-	153	-	153
Finance costs	(1,071)	-	(1,656)	-	(2,727)
Profit/(loss) before tax	12,182	4,162	(1,868)	-	14,476
Tax expense	(3,179)	(1,082)	(25)	-	(4,285)
Net profit/(loss) after tax	9,003	3,080	(1,893)	-	10,191
Segment assets	204,726	1,973	57,940	-	264,639
Segment liabilities	38,476	445	25,200	-	64,121
Depreciation	1,644	37	86	-	1,767



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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 September 2022	Gold and luxury products retail and trading			Consolidation adjustments	Total
	Pawnbroking		Others		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	20,115	24,546	1,011	-	45,672
Inter-segment revenue	15,280	-	2,512	(17,792)	-
Total	35,395	24,546	3,523	(17,792)	45,672
Segment results					
Operating results	12,226	772	(276)	-	12,722
Finance costs	(1,048)	-	(895)	-	(1,943)
Profit/(loss) before tax	11,178	772	(1,171)	-	10,779
Tax expense	(2,810)	(187)	(272)	-	(3,269)
Net profit/(loss) after tax	8,368	585	(1,443)	-	7,510
Segment assets	187,821	4,541	5,647	-	198,009
Segment liabilities	46,302	321	35,812	-	82,435
Depreciation	1,741	38	86	-	1,865



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

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

On 12 October 2023, our Company had entered into:

- (i) a share sale agreement with Wong Kam Mun for the acquisition by our Company of the entire equity interest in Pajak Gadai Pajamas Sdn Bhd (“**PG Pajamas**”) for a total cash consideration of RM3,791,194 (“**Acquisition of PG Pajamas**”). The principal activity of PG Pajamas is provision of pawnbroking services whereby the company currently owns and operates a pawnshop at Shah Alam, Selangor. The purchase consideration was arrived at on a willing buyer willing seller basis after taking into consideration, amongst others, the latest audited financial results of PG Pajamas as follows:
 - (a) total outstanding pawn loans and pawn interest receivables of PG Pajamas amounting to RM3.0 million as at 31 December 2022 (audited); and
 - (b) total net assets of PG Pajamas amounting to RM3.0 million as at 31 December 2022 (audited).

The said acquisition was completed on 14 November 2023; and

- (ii) a share sale agreement with Wong Kam Mun for the acquisition by our Company of the entire equity interest in Pajak Gadai Sri Petaling Sdn Bhd (“**PG Sri Petaling**”) for a total cash consideration of RM1,701,393 (“**Acquisition of Sri Petaling**”). The principal activity of PG Sri Petaling is provision of pawnbroking services whereby the company currently owns and operates a pawnshop at Sri Petaling, Kuala Lumpur. The purchase consideration was arrived at on a willing buyer willing seller basis after taking into consideration, amongst others, the latest audited financial results of PG Sri Petaling as follows:
 - (a) total outstanding pawn loans and pawn interest receivables of PG Sri Petaling amounting to RM2.7 million as at 31 December 2022 (audited); and
 - (b) total adjusted net assets of PG Sri Petaling amounting to RM2.4 million as at 31 December 2022 (audited).

The said acquisition was completed on 14 November 2023.

(The Acquisition of PG Pajamas and Acquisition of Sri Petaling shall hereinafter be collectively referred to the “**Acquisitions**”)

The Acquisitions are not subject to our shareholders’ approvals as the highest percentage ratio applicable for both acquisitions, in aggregate, is less than 5% pursuant to the Listing Requirements. For our shareholders’ information, the Acquisitions represent our Company’s on-going efforts to grow our pawnbroking business through, amongst others, expanding the number of pawnshops we operate.

The aggregate purchase considerations amounting to RM5.5 million were fully funded from the proceeds raised from our IPO which have been allocated for funding our expansion of pawnshops. Please refer to note B7 for further details on the status of utilisation of the proceeds raised from our IPO.

Save as disclosed above, there are no other significant events subsequent to the current financial quarter under review.



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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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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. 3rd quarter of the financial year ending 31 December 2023 (“3Q 2023”) as compared to the 3rd quarter of the financial year ended 31 December 2022 (“3Q 2022”)

Our Group recorded an increase in revenue by RM7.3 million (47.7%) during the 3Q 2023 as compared to the 3Q 2022 mainly due to the following key factors:

- (i) higher revenue from our pawnbroking business by RM1.2 million (16.5%) as a result of higher pawn loans disbursed by RM3.6 million (3.7%) during the 3Q 2023. The 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 RM6.1 million (76.9%) as a result of:
 - (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 (3Q FPE 2022: 16.4kg; 3Q FPE 2023: 33.9kg) by RM5.7 million (138.5%). These sales were part of our cash recovery process under our pawnbroking business; and
 - (b) higher sales volume of pre-owned gold products (3Q FPE 2022: 13.6kg; 3Q FPE 2023: 15.3kg), whereby the increase was mainly due to higher acquisition of pre-owned gold products from the unredeemed pledged gold items that are in good condition under our pawnbroking business for onward retail sales at our “Cahaya Gold” retail outlets (3Q FPE 2022: 14.5kg; 3Q FPE 2023: 18.8kg).

In tandem with the growth in our Group’s revenue, our Group recorded an increase in gross profit by RM2.5 million (44.8%) during the 3Q FPE 2023 as compared to the 3Q FPE 2022, and a corresponding increase in profit after tax by RM1.3 million (81.4%) after taking into consideration the one-off listing expenses in respect of our IPO of RM1.67 million.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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. 9-month FPE 30 September 2023 as compared to the 9-month FPE 30 September 2022

Our Group recorded an increase in revenue by RM29.1 million (63.8%) during the 9-month_FPE 30 September 2023 as compared to the 9-month_FPE 30 September 2022 mainly due to the following key factors:

- (i) higher revenue from our pawnbroking business by RM4.7 million (23.4%) as a result of higher pawn loans disbursed by RM32.5 million (12.4%) during the 9-month FPE 30 September 2023. The 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 RM25.4 million (105.2%) 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 (9-month_FPE 30 September 2022: 55.1kg; 9-month FPE 30 September 2023: 114.6kg) by RM18.1 million (127.3%). These sales were part of our cash recovery process under our pawnbroking business; and
 - (b) higher sales volume of pre-owned gold products (9-month_FPE 30 September 2022: 25.2 kg; 9-month FPE 30 September 2023: 52.9 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 (9-month FPE 30 September 2022: 22.1kg; 9-month_FPE 30 September 2023 38.3kg); and
 - (2) pre-owned gold products sourced from other third party pawnshops for onward sales to others (9-month FPE 30 September 2022: 10.3kg; 9-month FPE 30 September 2023: 15.1kg).

In tandem with the growth in our Group’s revenue, our Group recorded an increase in gross profit by RM6.5 million (38.1%) during the 9-month FPE 30 September 2023 as compared to the 9-month FPE 30 September 2022, and a corresponding increase in profit after tax by RM2.7 million (35.7%) after taking into consideration the one-off listing expenses in respect of our IPO amounting to RM1.67 million.

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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 had on 14 November 2023 completed the Acquisitions (as further detailed in Note A10 above) which in turn had resulted in our Group operating 2 additional pawnshops in the Klang Valley. As at the date of this report, our Group has a network of 24 pawnshops in Malaysia comprising 21 pawnshops in Kuala Lumpur and Selangor, 2 pawnshops in Negeri Sembilan and 1 pawnshop in Pahang. Notwithstanding the Acquisitions, our Company intend to open and/or acquire more new “Pajaking” pawnshops in Kuala Lumpur, Selangor and Pahang in 2024 using part of the proceeds raised from our IPO that were allocated to fund the expansion of our pawnshops. Our continuous efforts to increase the number of pawnshops we operate would in turn enable us to grow our pawnbroking business and market visibility substantially.

In addition, we have also allocated RM30.0 million of the proceeds raised from our IPO to fund the additional cash capital of our pawnbroking business. The 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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EVERGREEN MAX CASH CAPITAL BERHAD

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

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Bad debts written off	21	6	46	14
Depreciation of:				
- investment properties	67	79	201	238
- property, plant and equipment	196	207	595	643
- right-of-use assets	324	335	971	984
Interest expense	1,090	1,111	3,442	2,706
Interest income	(45)	(5)	(153)	(5)
Loss on foreign exchange (unrealised)	86	1,058	1,466	1,308
Listing expense	1,671	-	1,671	-
Rental income from investment property	136	264	453	795

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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Current tax recognised in profit or loss:				
- Malaysian income tax	1,509	1,160	4,285	3,269
Effective tax rate (%)	33.62%	41.38%	29.60%	30.33%
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 non-deductible expenses such as unrealised foreign exchange loss and one-off listing expenses in respect of our IPO.



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

B6. STATUS OF CORPORATE PROPOSAL

There are no corporate proposals being announced by our Company which are pending completion as at the date of this report.

B7. UTILISATIONS OF PROCEEDS FROM FUND RAISING EXERCISE

Save for the IPO, our Company has not undertaken any other fund raising exercise in the past 12 months up to the date of this report. As at the latest practical date of 14 November 2023, the status of utilisations of the proceeds raised from the IPO amounting to RM64.2 million are as follows:

<u>Purpose</u>	<u>Proposed Utilisation</u>	<u>Utilised Amount</u>	<u>Balance Unutilised</u>	<u>Estimated timeframe for utilisation from the Listing date</u>
	RM'000	RM'000	RM'000	
Expansion of pawnshops	20,000	⁽ⁱ⁾ 5,493	14,507	Within 24 months
Cash capital for our pawnbroking business	30,000	7,235	22,765	Within 24 months
Repayment of bank borrowings	4,000	4,000	-	Within 1 month
Working capital	5,624	5,624	-	Within 12 months
Estimated listing expenses	4,600	4,600	-	Within 1 month
Total	64,224	26,952	37,272	

Note:

(i) The utilised amount was for the Acquisitions. Please refer to Note A10 above.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

B8. BORROWINGS

	UNAUDITED	AUDITED
	30.09.2023	31.12.2022
	RM'000	RM'000
<u>Current Liabilities</u>		
Secured		
Revolving credit	-	20,000
Bank overdraft	-	5
Term loan	1,437	1,242
Unsecured		
Lease liabilities	1,093	1,000
	<u>2,530</u>	<u>22,247</u>
<u>Non-Current Liabilities</u>		
Secured		
Term loan	22,252	23,540
Unsecured		
USD-denominated borrowing	23,475	22,075
Lease liabilities	12,087	12,926
	<u>57,814</u>	<u>58,541</u>
Total Liabilities	<u>60,344</u>	<u>80,788</u>

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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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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. EPS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of our Company	2,980	1,643	10,191	7,510
Number of Shares in issue	851,019,166	847,302,499	851,019,166	847,302,499
Basic/Diluted EPS (sen) ⁽¹⁾	0.35	0.19	1.20	0.89

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
	30.09.2023	31.12.2022
	RM'000	RM'000
Net assets attributable to owners of our Company	200,518	128,115
Number of Shares in issue	1,114,902,499	847,302,499
Net assets per Share attributable to owners of our Company (RM)	0.18	0.15

By Order of the Board

Low Kai Loon

Executive Director

23 November 2023