

**MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]**

(formerly known as Tadmax Resources Berhad)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 MARCH 2021**

(The figures have not been audited)

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31-3-2021 RM'000	31-3-2020 RM'000	31-3-2021 RM'000	31-3-2020 RM'000
<b>Continuing Operations</b>				
Revenue	133,546	106,760	133,546	106,760
Cost of sales	<u>(118,609)</u>	<u>(81,638)</u>	<u>(118,609)</u>	<u>(81,638)</u>
Gross profit	14,937	25,122	14,937	25,122
Other operating income	490	122	490	122
Operating expenses	<u>(3,484)</u>	<u>(5,275)</u>	<u>(3,484)</u>	<u>(5,275)</u>
<b>Operating profit</b>	<u>11,943</u>	<u>19,969</u>	<u>11,943</u>	<u>19,969</u>
Finance income	515	153	515	153
Finance costs	<u>(158)</u>	<u>(192)</u>	<u>(158)</u>	<u>(192)</u>
<b>Profit before taxation</b>	<u>12,300</u>	<u>19,930</u>	<u>12,300</u>	<u>19,930</u>
Taxation	<u>(2,805)</u>	<u>(5,072)</u>	<u>(2,805)</u>	<u>(5,072)</u>
<b>Net profit for the financial period</b>	<u><b>9,495</b></u>	<u><b>14,858</b></u>	<u><b>9,495</b></u>	<u><b>14,858</b></u>
<b>Other comprehensive income, net of tax</b>				
<b>Items that will be reclassified subsequently to profit or loss, net of tax</b>				
- Foreign currency translation	77	848	77	848
<b>Total comprehensive income for the financial period</b>	<u><b>9,572</b></u>	<u><b>15,706</b></u>	<u><b>9,572</b></u>	<u><b>15,706</b></u>
<b>Net profit attributable to :</b>				
Owners of the Company	9,529	14,897	9,529	14,897
Non-controlling interests	<u>(34)</u>	<u>(39)</u>	<u>(34)</u>	<u>(39)</u>
	<u><b>9,495</b></u>	<u><b>14,858</b></u>	<u><b>9,495</b></u>	<u><b>14,858</b></u>
<b>Total comprehensive profit attributable to:</b>				
Owners of the Company	9,606	15,745	9,606	15,745
Non-controlling interests	<u>(34)</u>	<u>(39)</u>	<u>(34)</u>	<u>(39)</u>
	<u><b>9,572</b></u>	<u><b>15,706</b></u>	<u><b>9,572</b></u>	<u><b>15,706</b></u>
Basic earnings per ordinary share (sen)				
- from continuing operations	0.76	1.90	0.76	1.90
- from discontinuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>0.76</b></u>	<u><b>1.90</b></u>	<u><b>0.76</b></u>	<u><b>1.90</b></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]**  
 (formerly known as Tadmax Resources Berhad)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As At End Of Current Quarter 31-3-2021 RM'000</b>	<b>As At Preceding Financial Year End 31-12-2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,810	12,910
Other investments	77	77
Inventories - property development costs	114,877	48,855
Deferred tax assets	277	279
Other receivables	51,307	51,002
	179,348	113,123
<b>Current assets</b>		
Inventories - property development costs	197,796	222,792
Trade receivables	17,262	22,505
Contract assets	304,318	310,138
Other receivables, deposits and prepayments	53,668	64,004
Other investments	59,326	91,728
Tax recoverable	3,736	3,299
Deposits with licensed banks	1,350	1,317
Cash and bank balances	82,205	20,946
	719,661	736,729
<b>TOTAL ASSETS</b>	<b>899,009</b>	<b>849,852</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	452,510	452,510
Share option reserve	528	528
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,610	1,533
Accumulated losses	(16,293)	(25,822)
<b>Shareholders' funds</b>	438,200	428,594
Non-controlling interests	2,502	2,249
<b>TOTAL EQUITY</b>	<b>440,702</b>	<b>430,843</b>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021 - continued**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As At End Of Current Quarter 31-3-2021 RM'000</b>	<b>As At Preceding Financial Year End 31-12-2020 RM'000</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	33,381	36,617
Lease liabilities	37	58
Bank borrowings	92,322	33,509
	125,740	70,184
<b>Current liabilities</b>		
Trade payables	118,010	99,680
Other payables, deposits and accruals	198,440	230,506
Amount due to directors	13,378	14,731
Lease liabilities	171	195
Bank borrowings	454	449
Tax payable	2,114	3,264
	332,567	348,825
<b>TOTAL LIABILITIES</b>	458,307	419,009
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>899,009</b>	<b>849,852</b>
	-	-
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	35.0	34.2

Note: Net assets per share is calculated based on total assets minus total liabilities divided by the total number of ordinary shares in issue.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]**  
(formerly known as Tadmax Resources Berhad)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**  
(The figures have not been audited)

	←----- Attributable to owners of the Company -----→					Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Option Reserve RM'000	Other Reserves RM'000	Distributable Retained Earnings / (Accumulated Losses) RM'000			
<b><u>3 months ended 31 March 2021</u></b>								
As at 1 January 2021	452,510	(155)	528	1,533	(25,822)	428,594	2,249	430,843
Total comprehensive profit/(loss) for the financial period	-	-	-	-	9,529	9,529	(34)	9,495
Subscription of shares by non-controlling interests	-	-	-	-	-	-	287	287
Exchange differences on translation of foreign entities	-	-	-	77	-	77	-	77
As at 31 March 2021	452,510	(155)	528	1,610	(16,293)	438,200	2,502	440,702
<b><u>3 months ended 31 March 2020</u></b>								
As at 1 January 2020	337,510	(155)	469	57,894	321	396,039	26,748	422,787
Total comprehensive profit/(loss) for the financial period	-	-	-	-	14,897	14,897	(39)	14,858
Exchange differences on translation of foreign entities	-	-	-	848	-	848	-	848
As at 31 March 2020	337,510	(155)	469	58,742	15,218	411,784	26,709	438,493

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**  
 (The figures have not been audited)

	<b>Cumulative Quarter</b>	
	<b>3 months ended</b>	
	<b>31-3-2021</b>	<b>31-3-2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	12,300	19,930
<u>Adjustments for:-</u>		
Depreciation	183	1,168
Finance cost	158	192
Finance income	(515)	(153)
Gain on dilution of interests in a subsidiary	(1)	-
Gain on unwinding discount of other receivable	(279)	-
Operating profit before working capital changes	11,846	21,137
<u>Changes in working capital:</u>		
Contract assets/(liabilities)	4,211	(20,406)
Inventories - property development costs	(40,000)	16,068
Receivables	15,579	(4,238)
Payables	(12,127)	9,532
Net cash (used in)/from operations	(20,491)	22,093
Finance income received	490	129
Finance cost paid	(1,184)	(309)
Tax paid (net)	(7,627)	(5,436)
<b>Net cash (used in)/from operating activities</b>	<b>(28,812)</b>	<b>16,477</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(86)	(1,713)
Other investments	32,402	-
Proceeds from disposal of property, plant and equipment	3	-
Placement of deposits pledged with licensed banks	(33)	-
<b>Net cash from/(used in) investing activities</b>	<b>32,286</b>	<b>(1,713)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment to Directors	(1,352)	(2,278)
Drawn down of bank borrowings	61,875	-
Repayment of bank borrowings	(3,058)	(14,065)
Repayment of lease liabilities	(45)	(91)
Issuance of shares to non-controlling interests	287	-
<b>Net cash from/(used in) financing activities</b>	<b>57,707</b>	<b>(16,434)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>61,181</b>	<b>(1,670)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	78	877
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>20,946</b>	<b>34,350</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>82,205</b>	<b>33,557</b>
Cash and cash equivalents at the end of the financial year comprise the following:		
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Deposits with licensed financial institutions	1,350	5,998
Cash and bank balances	82,205	28,856
	83,555	34,854
Less: Deposits with licensed banks pledged as security for banking facilities	(1,350)	(1,297)
	<b>82,205</b>	<b>33,557</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the financial quarter ended 31 March 2021**

**1. Basis of Preparation and Accounting Policies**

The interim financial statements have been prepared under the historical cost convention, except for certain property, plant & equipment that are stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standards (“MFRSs”) 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 annual audited financial statements of the Group for the financial year ended 31 December 2020.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2020, except for the mandatory adoption of the new MFRSs, amendments or improvements to MFRSs and New IC interpretations (“IC Int.”) that have been issued by the Malaysian Accounting Standards Board (“MASB”) which take effects on and/or after 1 January 2021.

The adoption of the new standards, amendments or improvements to MFRSs and new IC Int. is not expected to have significant impact on the financial statements of the Group upon their initial application.

**2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report of the annual financial statements of the Group for the financial year ended 31 December 2020 was not subject to any qualification.

**3. Seasonal or Cyclical Factors**

The business of the Group was not affected by any significant seasonal or cyclical factors during the quarter under review.

**4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial quarter under review.

**5. Material Changes in Estimates**

There were no significant changes made in the estimates of amounts reported in prior financial years.

**6. Changes in Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during current quarter under review.

**7. Dividends Paid**

There was no dividend paid during the current quarter ended 31 March 2021 (31 March 2020: RM Nil).

**8. Segmental Reporting**

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. Segmental information is presented in respect of the Group's business segment as follows:

Business Activity	Current Quarter 3 months ended				Cumulative Quarter 3 months ended			
	31/3/2021		31/3/2020		31/3/2021		31/3/2020	
	Profit/(Loss) Before		Profit/(Loss) Before		Profit/(Loss) Before		Profit/(Loss) Before	
	Revenue RM'000	Taxation RM'000	Revenue RM'000	Taxation RM'000	Revenue RM'000	Taxation RM'000	Revenue RM'000	Taxation RM'000
<b>Continuing Operations</b>								
• Property	133,538	12,642	106,547	22,352	133,538	12,642	106,547	22,352
• Industrial supplies	8	(39)	213	(128)	8	(39)	213	(128)
• Investment holding	-	(622)	-	(1,121)	-	(622)	-	(1,121)
• Others	-	(38)	-	(530)	-	(38)	-	(530)
	<b>133,546</b>	<b>11,943</b>	<b>106,760</b>	<b>20,573</b>	<b>133,546</b>	<b>11,943</b>	<b>106,760</b>	<b>20,573</b>
Finance income	-	515	-	153	-	515	-	153
Finance costs	-	(158)	-	(192)	-	(158)	-	(192)
	<b>133,546</b>	<b>12,300</b>	<b>106,760</b>	<b>20,534</b>	<b>133,546</b>	<b>12,300</b>	<b>106,760</b>	<b>20,534</b>
<b>Discontinued Operations</b>								
• Energy	-	-	-	(604)	-	-	-	(604)
	<b>133,546</b>	<b>12,300</b>	<b>106,760</b>	<b>19,930</b>	<b>133,546</b>	<b>12,300</b>	<b>106,760</b>	<b>19,930</b>

**9. Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 2020.

**10. Subsequent Material Events**

There were no material events subsequent to the end of the current financial quarter under review to the date of announcement which were likely to substantially affect the results and the operations of the Group.

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

On 21 January 2021, Blue Ocean Maxim Sdn Bhd became a 70% owned subsidiary of the Company (from a wholly-owned subsidiary) following the subscription and allotment of ordinary shares to an unrelated third party, Lembaran Pertama Sdn Bhd, resulting in Lembaran Pertama Sdn Bhd holding a 30% equity interests.

Save for the above, there were no changes in the composition of the Group for the current financial quarter under review.

**12. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets since 31 March 2021 till the date of announcement of this quarterly report.

**13. Capital and Other Commitments**

There are no material authorised capital and other commitments not provided for in the interim financial statements as at 31 March 2021 except as below:-

	RM'000
Inventories – property development costs	
- Leasehold land, at cost	49,826

The above other commitments are in respect of the acquisition of a piece of leasehold land located at Taman Desa Aman, Cheras by the Company's 55% subsidiary, Builtamont Development Sdn Bhd (formerly known as Builtamont Maxim Sdn Bhd) and another piece of leasehold land located at Taman Sri Permaisuri, Cheras by the Company's 70% subsidiary, Blue Ocean Maxim Sdn Bhd, of which both the sale purchase agreements are pending completion as at the end of the current financial quarter under review.

**14. Significant Related Party Transactions**

There are no significant related party transactions in the current quarter under review.



**Additional Explanatory Notes in compliance with Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**15. Review of Performance**

The performance of the Group by operating segments are analysed below:

in RM'000	Current Quarter		Inc/(Dec) %	Preceding Quarter 31-12-20	Inc/(Dec) %	Cumulative Quarter		Inc/(Dec) %
	31/3/2021	31/3/2020				31/3/2021	31/3/2020	
<b>Revenue</b>								
• Property	133,538	106,547	25%	150,874	-11%	133,538	106,547	25%
• Industrial supplies	8	213	-96%	30	-73%	8	213	-96%
	<b>133,546</b>	<b>106,760</b>	25%	<b>150,904</b>	-12%	<b>133,546</b>	<b>106,760</b>	25%
<b>Profit/(Loss) before tax</b>								
<b>Continuing Operations</b>								
• Property	12,642	22,352	-43%	42,182	-70%	12,642	22,352	-43%
• Industrial supplies	(39)	(128)	-70%	(22)	77%	(39)	(128)	-70%
• Investment holding	(622)	(1,121)	-45%	3,520	-118%	(622)	(1,121)	-45%
• Others	(38)	(530)	-93%	(169,956)	-100%	(38)	(530)	-93%
	<b>11,943</b>	<b>20,573</b>	-42%	<b>(124,276)</b>	-110%	<b>11,943</b>	<b>20,573</b>	-42%
Finance income	515	153	237%	746	-31%	515	153	237%
Finance costs	(158)	(192)	-18%	(815)	-81%	(158)	(192)	-18%
Share of results in an associate	-	-	0%	(322)		-	-	0%
	<b>12,300</b>	<b>20,534</b>	-40%	<b>(124,667)</b>	-110%	<b>12,300</b>	<b>20,534</b>	-40%
<b>Discontinued Operations</b>								
• Energy	-	(604)	-100%	(59)	-98%	-	(604)	-100%
	<b>12,300</b>	<b>19,930</b>	-38%	<b>(124,726)</b>	-110%	<b>12,300</b>	<b>19,930</b>	-38%

**Review on Performance – Current Quarter compared to Corresponding Quarter**

**a) Overall Review of Group performance**

The Group's revenue grew by 25% to register at RM133.5 million vis-à-vis the preceding year corresponding quarter, mainly derived from the Property business segment which was in turn directly attributed to the revenue of RM61.0 million from the Group's newly acquired development project named Residensi Majestic Maxim in November 2020, located in Alam Damai, Cheras. This was followed by RM42.6 million revenue from the affordable homes project, Residensi Metro Kepong located at Taman Metropolitan, Kepong. At the same location in Taman Metropolitan, Mizumi Residences condominium project reported a lower revenue at RM24.1 million (as project is near completion) vis-à-vis RM92.1 million in the preceding year corresponding quarter. Whilst the remainder development project, Ganggarak Permai located in Labuan FT which is also near completion have reported a lower revenue at RM5.8 million vis-à-vis RM9.2 million in the preceding year corresponding quarter. Meanwhile, Industrial supplies saw a significant decline due mainly to the closure of the Group's ready-mixed concrete plant located in Labuan FT since

November 2019 and the trading of building materials was affected by the competitiveness of the business and the reduced economic activities during this COVID-19 outbreak.

The revenue and profitability performance of Residensi Majestic Maxim and Mizumi Residences, both supported the property business segment to register Group's profit before tax of RM12.3 million. On overall basis, the current quarter reported a decrease by 38% (despite revenue grew by 25%) vis-à-vis profit before tax of RM19.9 million reported in the preceding year corresponding quarter. The was mainly due to the lower percentage completion of Mizumi Residences project at 2.7% vis-à-vis 13.1% in the preceding year corresponding quarter (as project is near completion), the low margin derived from Residensi Metro Kepong project, an affordable homes project (with lower selling price range from RM188,000 to RM216,000 per unit) despite higher revenue by RM37.3 million and lastly the adjustment made for the amortisation of property development cost at Group level amounting to RM11.5 million arising from the acquisition of Majestic Maxim Sdn Bhd.

## b) Segmental Review

### • Property

This business segment presently comprised four property development projects, namely, Ganggarak Permai in Ganggarak, Labuan FT, Mizumi Residences with Residensi Metro Kepong, both in Taman Metropolitan, Kepong, Kuala Lumpur and Residensi Majestic Maxim, in Alam Damai, Cheras, Kuala Lumpur. The summary of performance and progress are as below:-

	<u>Ganggarak Labuan</u>	<u>Taman Metropolitan, Kepong</u>		<u>Alam Damai, Cheras</u>
Name of projects	Ganggarak Permai	Mizumi Residences	Residensi Metro Kepong	Residensi Majestic Maxim
Net property sales ('000)	RM73,575	RM682,325	RM291,496	RM790,121
Unbilled sales ('000)	RM5,794	RM27,805	RM177,083	RM209,109
Percentage completion (cumulative)	Phase 3 – 91.5% (March 2020: 59.3%)  Phase 4 – 94.5% (March 2020: 76.4%)	95.9% (March 2020: 72.0%)	39.3% (March 2020: 6.9%)	73.5% (March 2020: Not applicable as project company acquired in November 2020)
Operating profit for the quarter ('000)	RM139 2020: RM479	RM8,335 2020: RM21,951		RM4,306 2020: Not applicable

Ganggarak Permai's phases 3 and 4, both contributed to a profit of RM0.14 million for the quarter under review (vis-à-vis operating profit of RM0.48 million in the preceding year corresponding quarter) due to lower percentage completion achieved in the current quarter under review as the project is near completion. The Group is presently preparing the necessary in delivering vacant possession for both phases envisaged in the 2<sup>nd</sup> quarter 2021. Since the beginning of the 2<sup>nd</sup> quarter of the current financial year under review, in relation to phase 3 (comprising 195 units of double storey terrace houses), end purchasers have been notified to undertaking the transfer of individual titles in favour of themselves.

As at the end of the quarter under review, Mizumi Residences is near completion and the Group is doing the needful in delivering vacant possession to end purchasers envisaged in the 2<sup>nd</sup> quarter of the current financial year, well within the delivery period to end purchasers. During the quarter under review, Mizumi Residences has achieved a 100% take up rate and recorded a lower percentage completion of 2.7% vis-à-vis the preceding year corresponding quarter at 13.1%, the latter contributed mainly to the lower operating profit at RM8.3 million vis-à-vis RM22.0 million

registered in the preceding year corresponding quarter (with minimal contribution from Residensi Metro Kepong).

Meanwhile, Residensi Metro Kepong, an affordable housing project, registered a satisfactory take-up rate where the total sold and booked units totals approximately 99.3% out of total available 1,520 units. The development of this project has commenced the construction of main building works since June 2020. The project has achieved percentage of completion at 39.3% as at the end of the quarter under review whilst current quarter attained 13.6% (2020: 0.8%). The delivery of vacant possession is envisaged sometime in second half of financial year 2022.

Residensi Majestic Maxim, a high-rise mixed development comprising an 8-storey commercial podium with retail/office space, commercial space and car park and 4 blocks of 37-storey service apartments in Alam Damai, Cheras, Kuala Lumpur with total estimated net gross development value of RM921 million. The Group commenced to account for the revenue and profits from this project since completion of the acquisition of Majestic Maxim Sdn Bhd with effect from 4 November 2020. As at the end of the quarter under review, the project has achieved percentage completion of 73.5% with almost all the available 2,136 units of service apartment and 43 units of shop lot having been sold and/or booked. The quarter under review saw the registering percentage completion of 7.7% and after the adjustment made for the amortisation of property development cost at Group level amounting to RM11.5 million, the project reported an operating profit of RM4.3 million. The delivery of vacant possession is envisaged sometime in first quarter of financial year 2022.

#### **Review on Performance - Current Quarter compared to Preceding Quarter**

The Group's revenue for the current quarter registered at RM133.5 million or 12% lower than the preceding quarter mainly due to lower revenue posted by Mizumi Residences at RM24.1 million (vis-à-vis RM59.4 million in the preceding quarter), set off with higher revenue reported under Residensi Majestic Maxim and Residensi Metro Kepong at RM61.0 million and RM42.6 million respectively (vis-à-vis RM49.2 million and RM35.1 million respectively in the preceding quarter). The Group's profit before tax was substantially higher at RM12.3 million vis-à-vis loss before tax and interest of RM124.7 million in the preceding quarter, mainly due to the one-off impairment of the Group's assets held in the Boven Digoel, Papua, Republic of Indonesia amounting to RM169.4 million recorded in the preceding quarter, mitigated by the lower operating profit of the property business segment of RM29.5 million in the current quarter under review.

#### **16. Prospects**

The outlook for Malaysia for the current financial year will be challenging on the back of a crippled world economy. While the Economic Stimulus Package announced by the Malaysian Government has lessened the impact of this crisis, the scale and duration of the economic effects arising remain uncertain and would affect the demand of the Group's products, the impact of which the Group is unable to reliably estimate.

Against this backdrop and slowdown in the residential property market, the Group's Property Development & Construction business segment is moving forward cautiously. The well-received and advanced stages of all its existing launched projects, namely, Mizumi Residences in Taman Metropolitan, Kepong, Residensi Majestic Maxim in Alam Damai, Cheras, Kuala Lumpur and Ganggarak Permai in Ganggarak, Labuan FT will provide good earning visibility of the Group's performance for the current financial year except for Mizumi Residences and Ganggarak Permai, both of which are scheduled for delivery of vacant possession in the second quarter of the current financial year, leaving behind a remainder percentage completion of approximately 6.8% to be recognised (from percentage completion of 93.2% as at 31 December 2020) for Mizumi Residences

and approximately 9% and 18% to be recognised for Phase 4 and Phase 3 respectively for Ganggarak Permai.

However, the Group's affordable housing project namely, Residensi Metro Kepong in Taman Metropolitan, Kepong will contribute revenue to the Group at least until second half of financial year 2022 but profit contribution will not be significant in view of the nature of the development.

Residensi Majestic Maxim will contribute to the profitability of the Group for the current financial year until delivery of vacant possession envisaged sometime in the first quarter of 2022. The Group will be entitled to all the remaining revenue and profits (remaining post-tax profits of approximately RM90 million) from this project from the completion date of acquisition since November 2020 (where the percentage completion was 59.4%) but the profits are subjected to adjustment for the amortisation of property development cost at group level arising from the acquisition totalling approximately RM64.0 million, hence resulting in a net profit contribution of approximately RM26 million over the remaining periods. However, the Group will enjoy all the cash flows to be generated from this project.

In replenishing its land bank, the Group has progressed much by inking a few acquisitions of land at strategic locations with potential growth to further strengthen the Group's foothold in the Property Development & Construction activities, with a view to generate long-term sustainable income. The preceding financial year saw the completion of the acquisition of a leasehold land in Alam Damai, Cheras, Kuala Lumpur (measuring 3.24 acres) whilst in the current financial year, the Group expects the completion of the acquisition of three pieces of leasehold lands located at Alam Damai, Cheras, Kuala Lumpur (measuring 5.73 acres), another at Taman Desa Aman, Cheras, Kuala Lumpur (measuring 2.60 acres) and the third land at Bandar Sri Permaisuri, Kuala Lumpur (measuring 6.06 acres). The Group targets to launch the development of at least one of these newly acquired development land in the current financial year.

The completion of the disposal of the two subsidiary companies in the Energy business segment in the preceding financial year paved the way for the Group to focus on its core activity of Property Development & Construction. The disposal of the subsidiary companies in the Energy business segment enables MAXIM to monetise its investments by enhance the Group's cash flow (net of expenses of RM31.6 million) by RM141.6 million. Whilst a sum of RM23.4 million and RM49.0 million are only receivable in May 2021 and December 2023 respectively, the proceeds from disposal will provide additional funding cum working capital for the Group's existing and future projects as well as for the Group's future investments in other complementary businesses and/or assets of Property Development & Construction business segment.

On the back of challenging business conditions in the property sector, the Group endeavours to partly address this by undertaking the development of mid-range and affordable homes within strategic locations in the Klang Valley and the Group believes this will remain the favourite in the medium-term. Further, driven by fundamental market dynamics, supported by low interest rate regime, the abundant market liquidity, supportive Government's measures and the nationwide COVID-19 vaccine roll out since March 2021 will help to spur demand for properties for the current financial year and thereafter.

#### **17. Disclosure of COVID-19 Outbreak Related Impacts**

Unavoidably, the Group's business operations will be affected by the movement control order ("MCO") implemented since March 2020 followed by recovery MCO during the 2<sup>nd</sup> quarter 2020 and conditional MCO from 14 October 2020, subsequently has again imposed the MCO and conditional MCO from 11 January 2021. Latest was the reintroduction of MCO on the whole nation from 12 May 2021 to 7 June 2021 (all collectively referred to as "MCOs"). The impact was the disruption to the progress of the Group's property development activities. With economic activities allowed since the

2<sup>nd</sup> half of year 2020, the Group managed to register respectable percentages of completion of its property development activities. The MCOs are expected to have minimal effect on the overall Group earnings (on the basis that almost all the available units having been sold and/or booked coupled with the advance stage of completion) as any deferred recognition of earning will be recognised in the subsequent quarters.

Further, the Group does not expect any material variation to its property development expenditures on the on-going development contracts. Meanwhile, the Group has met and is envisaged to meet all its short-term debt obligations and operating expenditures during this unprecedented period supported by the advanced stages of completion and high take-up rates of all its existing property development projects and respectable net cash inflows from the Group's existing property development projects. On this premise, the Group is expected to have sufficient working capital and is confident to sustain its business operation despite the effects of COVID-19 outbreak.

The Management has re-assessed the overall impact of the situation on the Group's operations and financial performance, and maintained its earlier conclusion that no material effects were envisaged on the unaudited consolidated statement of comprehensive income for the quarter under review. Likewise, the Group has also assessed on its unaudited consolidated statement of financial position and concluded that no material impairment to its assets, inventories or receivables are expected.

For the current financial year, the Management is unable to reliably estimate the financial impact of COVID-19 outbreak on the Group's financial results as there are still uncertainties as to how far the pandemic would continue and the severity of it, hence the current situation is still fluid. In any event, the Management shall cautiously and continuously assess the impact of COVID-19 outbreak to the Group's operations as well as the financial position from time to time.

The Group believes that the staff is the most valuable asset to the Group. The health and safety measurement of the staff are always the priority matter to be handled. In this respect, the Group is fully committed to comply with all the government's Standard Operating Procedures as imposed and as amended from time to time.

## 18. Profit Forecast and Profit Guarantee

There is no profit forecast and profit guarantee that is applicable to the Group.

## 19. Taxation

Taxation comprises the following:

	Current Quarter (3 months ended)		Cumulative Quarter (3 months ended)	
	31/3/2021 RM'000	31/3/2020 RM'000	31/3/2021 RM'000	31/3/2020 RM'000
Current tax:				
Malaysian income tax	6,040	7,024	6,040	7,024
Deferred tax	(3,235)	(1,952)	(3,235)	(1,952)
Total taxation	<u>2,805</u>	<u>5,072</u>	<u>2,805</u>	<u>5,072</u>

Included in the income tax figure for the quarter ended 31 March 2021 are the net adjustment for deferred tax charges in respect of depreciation of property, plant and equipment, fair value adjustment to inventories - property development costs and other temporary timing difference.

**20. Corporate Proposals**Status of Corporate Proposals Announced(A) Status of Utilisation of Proceeds arising from Disposal of 100% Equity Interest in PIPP and TPMC

Utilisation of gross proceeds raised from the disposal of 100% equity interest in Pulau Indah Power Plant Sdn Bhd (“PIPP”) and Tadmax PMC Sdn Bhd (“TPMC”) up to 31 March 2021 (both disposal completed in September/December 2020) is set out below:-

<u>Details of Utilisation</u>	Total (RM'000)	Actual Utilisation to 31 March 2021 (RM'000)	Balance (RM'000)	Timeframe for utilisation
1) Payment on the unfinanced portion of the purchase price of Alam Damai Land 1	9,000	9,000	-	Within 3 months
2) Payment on the unfinanced portion of the purchase price of Alam Damai Land 2	11,450	11,450	-	Within 3 months
3) Payment on the unfinanced portion of the purchase price, development charges and development cost of land in Taman Desa Aman, Cheras, Kuala Lumpur	11,000	1,211	9,789	Within 12 months
4) Future investment in other complementary businesses and/or assets (Note 1)	113,000	24,025	88,975	-
5) Working capital purposes	8,450	3,250	5,200	Within 24 months
6) Estimated expenses in relation to the Proposal	20,300	12,725	7,575	Within 1 month
	<b>173,200</b>	<b>61,661</b>	<b>111,539</b>	

Note 1 - A sum of RM23.38 million will be received by 28 May 2021 whilst another sum of RM49.0 million will be received by 31 December 2023.

**21. Group Borrowings and Debts Securities**

Group borrowings are as follows:-

	<b>As at 31/3/2021 RM'000</b>	<b>As at 31/3/2020 RM'000</b>
(a) Current borrowings – secured		
Term loans	454	733
Lease liabilities	171	267
	<u>625</u>	<u>1,000</u>
(b) Non-current borrowings – secured		
Term loans	92,322	8,218
Lease liabilities	37	264
	<u>92,359</u>	<u>8,482</u>

All the Group borrowings are denominated in Malaysian currency and are secured. Term loans increased by RM83.8 million as compared to the preceding year corresponding quarter mainly due to term loan drawdown of RM81.2 million to finance the acquisition of two pieces of leasehold land by the Company's subsidiaries and an additional RM10 million to finance the Group's Residensi Metro Kepong property development project in Taman Metropolitan, Kepong, set off by the retirement of a term loan and part repayment vide collection from progress billings. The above loans bear interest rate ranged from 3.65% - 5.82% per annum.

Bank borrowings are expected to increase further in the following quarters in bridging the funding on development cost, in view of further advancement in construction progress of the Group's Residensi Metro Kepong project which is targeted to complete in the 2<sup>nd</sup> half of 2022.

Further, the Company's 55% owned subsidiary company, Builtamont Development Sdn Bhd entered into Sale and Purchase Agreement with Datuk Bandar Kuala Lumpur to acquire a piece of leasehold land, measuring 10,529 sq meter (approximately 2.60 acres) located at Taman Desa Aman, Cheras, Kuala Lumpur for a total purchase consideration of RM37,400,000. The purchase of the aforesaid land is expected to be partly funded by a banking facility of RM30,000,000. In addition, the Company's 70% owned subsidiary, Blue Ocean Maxim Sdn Bhd has inked to acquire a piece of leasehold land, measuring 24,530 sq meter (approximately 6.06 acres) located at Bandar Sri Permaisuri, Cheras, Kuala Lumpur for a total purchase consideration of RM50,000,000. The purchase of the aforesaid land is expected to be partly funded by a banking facility of RM40,000,000. Both banking facilities is expected to be drawn down in the second half of the current financial year.

**22. Trade Receivables**

The Trade Receivables and corresponding ageing of the Group as at 31 March 2021 are as follows:-

	Total RM'000		
Trade receivables	17,331		
Less : Allowance for Expected Credit Losses	(69)		
	<u>17,262</u>		
			As at 31/12/2020
	RM'000	%	RM'000
Neither past due nor impaired	11,976	69.4%	13,602
Past due 31 to 60 days not impaired	613	3.6%	3,720
Past due 61 to 90 days not impaired	986	5.7%	1,586
Past due > 91 days not impaired	3,687	21.4%	3,597
Past due > 91 days impaired	-	-	-
	<u>17,262</u>	<u>100%</u>	<u>22,505</u>

Trade receivables are in a healthy position and lower than the amount as at 31 December 2020. Trade receivables decreased by 23.3% with better collection despite higher progress billing issued to end purchasers towards the end of the quarter under review amounting to RM10.7 million vis-à-vis RM9.3 million as at 31 December 2020. Further aided by the reduced in retention sum by RM3.5 million included in the trade receivables at RM1.2 million vis-à-vis RM4.7 million as at 31 December 2020. This retention sum is held and will be released in due time pursuant to the Housing Development (Control and Licensing) Act, 1966.

There are no trade receivables from related parties and there is no major customer from the trade receivables.

The trade receivables (except for the retention sums and house buyers) are non-interest bearing and are generally ranged from 30 to 60 days term. However, to house buyers, the normal credit terms is 30 (2020: 30) calendar days and interest is charged on overdue accounts at 10% (2020: 10%) per annum on a daily basis. The Group undertakes periodic review of the recoverability of trade receivables and the allowance for expected credit losses are sufficient at the end of the reporting quarter under review.

**23. Financial Instruments****(a) Derivatives**

There were no outstanding derivatives as at 31 March 2021.

**(b) Gain/(Loss) arising from fair value changes in financial assets and liabilities**

There is no gain/(loss) arising from fair value changes in financial assets and liabilities during the quarter ended 31 March 2021.



#### **24. Material Litigation**

There was no other material litigation pending as at 24 May 2021 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) except as below:-

On 24 March 2021, the Company announced that two of its 90% owned subsidiary companies incorporated in the Republic of Indonesia, PT Trimegah Karya Utama (“PT TKU”) and PT Manunggal Sukses Mandiri (“PT MSM”), had commenced the proceeding of injunction requests on the Boven Digoel Regency, Province of Papua, Republic of Indonesia in respect of the PT TKU’s and PT MSM’s assets located in the Province of Papua, Republic of Indonesia (“Injunction Requests”). The Injunction Requests were filed with the Jayapura Administrative Courts at Kota Jayapura in the Province of Papua, Republic of Indonesia.

On 3 May 2021, the Company announced that the Jayapura Administrative Court had on 27 April 2021 delivered a verdict (after undertaking a number of hearings in the month of April 2021) that the Injunction Requests petition was not accepted. This decision was delivered despite other precedent rulings in other administrative courts in the Republic of Indonesia making a decision on such similar Injunction Requests petition. The Jayapura Administrative Court ruled that they are no longer authorised or having the jurisdiction to adjudicate the Injunction Requests petition.

Following the above, PT TKU and PT MSM with its Solicitors advice, will proceed to file an application for Judicial Review (known as “Judicial Review Petition” or “Peninjauan Kembali”) to the Supreme Court of the Republic of Indonesia for direction/hearing of the Injunction Requests petition.

The Group does not expect any losses arising from the Injunction Requests and/or other legal actions as the Group has fully impaired its assets held in the Republic of Indonesia except for legal expenditures in instituting the said action. Hence, the Group does not foresee any material impact on the Group’s earnings nor any impact on the Group’s core operational business of Property Development & Construction.

#### **25. Dividend Payable**

No interim ordinary dividend has been declared for the financial period ended 31 March 2021 (31 March 2020: RM Nil).

**26. Earnings Per Share**

## a) Basic Earnings Per Share

	<b>Current Quarter 31/3/2021</b>	<b>Cumulative Quarter 31/3/2021</b>
Profit for the financial period attributable to equity holders of the Company (RM'000)	9,529	9,529
Weighted average number of ordinary shares in issue ('000)	1,252,675	1,252,675
Basic earnings per share (sen)	0.76	0.76

**27. Additional Disclosures for Profit for the Financial Period**

	<b>Current Quarter 31/03/2021 RM'000</b>	<b>Cumulative Quarter 31/3/2021 RM'000</b>
<i>Profit for the financial period is arrived at after crediting:-</i>		
Finance income	515	515
Rental income	7	7
Gain on dilution of interests in a subsidiary	1	1
Gain on unwinding discount of other receivable	279	279
<i>and after charging:-</i>		
Finance costs	158	158
Rental of property	52	52
Rental of equipment	3	3
Depreciation of property, plant and equipment	183	183

Other than the above, there was no provision for and write-off of receivables, provision for and write-off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives, and exceptional items included in the results for the current financial period ended 31 March 2021.

**28. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 May 2021.

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