

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

(formerly known as Tadmax Resources Berhad)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**FOR THE PERIOD ENDED 30 JUNE 2021**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	30-6-2021	30-6-2020	30-6-2021	30-6-2020
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	101,283	28,346	234,829	135,106
Cost of sales	(90,639)	(21,680)	(209,248)	(103,318)
Gross profit	10,644	6,666	25,581	31,788
Other operating income	12,583	309	13,073	431
Operating expenses	(6,120)	(3,734)	(9,604)	(8,405)
Operating profit	17,107	3,241	29,050	23,814
Finance income	448	119	963	272
Finance costs	(120)	(161)	(278)	(353)
Profit before taxation	17,435	3,199	29,735	23,733
Taxation	(5,790)	(889)	(8,595)	(5,961)
Net profit from continuing operations	11,645	2,310	21,140	17,772
Discontinued operations	-	(545)	-	(1,149)
Net profit for the financial period	11,645	1,765	21,140	16,623
Other comprehensive income, net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	(25)	(960)	52	(112)
Total comprehensive income for the financial period	11,620	805	21,192	16,511
Net profit attributable to :				
Owners of the Company	12,116	1,805	21,645	16,702
Non-controlling interests	(471)	(40)	(505)	(79)
	11,645	1,765	21,140	16,623
Total comprehensive profit attributable to :				
Owners of the Company	12,091	845	21,697	16,590
Non-controlling interests	(471)	(40)	(505)	(79)
	11,620	805	21,192	16,511
Basic earnings per ordinary share (sen)				
- from continuing operations	0.97	0.30	1.73	2.28
- from discontinued operations	-	(0.07)	-	(0.15)
	0.97	0.23	1.73	2.13

(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 30 JUNE 2021

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30-6-2021 RM'000	As At Preceding Financial Year End 31-12-2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,633	12,910
Other investments	77	77
Inventories - property development costs	116,008	48,855
Deferred tax assets	277	279
Other receivables	51,542	51,002
	180,537	113,123
Current assets		
Inventories - property development costs	185,392	222,792
Trade receivables	5,041	22,505
Contract assets	369,979	310,138
Other receivables, deposits and prepayments	21,432	64,004
Other investments	82,790	91,728
Tax recoverable	4,661	3,299
Deposits with licensed banks	1,412	1,317
Cash and bank balances	57,163	20,946
	727,870	736,729
TOTAL ASSETS	908,407	849,852
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	452,510	452,510
Share option reserve	528	528
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,585	1,533
Accumulated losses	(4,177)	(25,822)
Shareholders' funds	450,291	428,594
Non-controlling interests	2,032	2,249
TOTAL EQUITY	452,323	430,843

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 - continued

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30-6-2021 RM'000	As At Preceding Financial Year End 31-12-2020 RM'000
Non-current liabilities		
Deferred tax liabilities	30,920	36,617
Lease liabilities	31	58
Bank borrowings	96,805	33,509
	127,756	70,184
Current liabilities		
Trade payables	113,286	99,680
Other payables, deposits and accruals	200,638	230,506
Amount due to directors	8,378	14,731
Lease liabilities	158	195
Bank borrowings	458	449
Tax payable	5,410	3,264
	328,328	348,825
TOTAL LIABILITIES	456,084	419,009
TOTAL EQUITY AND LIABILITIES	908,407	849,852
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	35.9	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)]
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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			
<u>6 months ended 30 June 2021</u>								
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	-	-	-	-	21,645	21,645	(505)	21,140
Subscription of shares by non-controlling interests	-	-	-	-	-	-	288	288
Exchange differences on translation of foreign entities	-	-	-	52	-	52	-	52
As at 30 June 2021	452,510	(155)	528	1,585	(4,177)	450,291	2,032	452,323
<u>6 months ended 30 June 2020</u>								
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	-	-	-	-	16,702	16,702	(79)	16,623
Non-controlling interests share of net assets of a subsidiary acquired by the Group	-	-	-	-	-	-	90	90
Subscription of shares by non-controlling interests	-	-	-	-	-	-	500	500
Exchange differences on translation of foreign entities	-	-	-	(112)	-	(112)	-	(112)
As at 30 June 2020	337,510	(155)	469	57,782	17,023	412,629	27,259	439,888

(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 30 JUNE 2021
(The figures have not been audited)

	Cumulative Quarter	
	6 months ended	
	30-6-2021	30-6-2020
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax from continuing operations	29,735	23,733
Loss from discontinued operations	-	(1,149)
<u>Adjustments for:-</u>		
Goodwill written off	-	23
Depreciation	360	2,316
Finance cost	278	353
Finance income	(963)	(272)
Gain on dilution of interests in subsidiary companies	(4)	-
Gain on unwinding discount of other receivable	(490)	-
Gain on disposal of property, plant and equipment	-	(183)
Operating profit before working capital changes	28,916	24,821
<u>Changes in working capital:</u>		
Contract assets/(liabilities)	(61,352)	(15,777)
Inventories - property development costs	(27,663)	23,375
Receivables	60,036	17,028
Payables	(14,751)	(229)
Net cash (used in)/ from operations	(14,814)	49,218
Finance income received	914	224
Finance cost paid	(2,369)	(469)
Tax paid (net)	(13,505)	(6,974)
Net cash (used in)/from operating activities	(29,774)	41,999
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(86)	(5,107)
Acquisition of subsidiary companies, net of cash and cash equivalents	-	109
Other investments	8,938	(4,024)
Proceeds from disposal of property, plant and equipment	3	200
Placement of deposits pledged with licensed banks	(95)	-
Net cash from/(used in) investing activities	8,760	(8,822)
FINANCING ACTIVITIES		
Repayment to Directors	(6,353)	(2,288)
Drawn down of bank borrowings	75,975	-
Repayment of bank borrowings	(12,670)	(15,347)
Repayment of lease liabilities	(65)	(149)
Issuance of shares to non-controlling interests	292	-
Net cash from/(used in) financing activities	57,179	(17,784)
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,165	15,393
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	52	(116)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	20,946	34,350
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	57,163	49,627

Cash and cash equivalents at the end of the financial year comprise the following:

Cash and cash equivalents at the end of the financial period comprise the following:

Deposits with licensed banks	1,412	10,497
Cash and bank balances	57,163	40,427
	58,575	50,924
Less: Deposits with licensed banks pledged as security for banking facilities	(1,412)	(1,297)
	57,163	49,627
	-	

(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 30 June 2021

1. Basis of Preparation and Accounting Policies

The interim financial statements have been prepared under the historical cost convention.

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 30 June 2021 (30 June 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 6 months ended			
	30/6/2021		30/6/2020		30/6/2021		30/6/2020	
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000
<u>Continuing Operations</u>								
• Property	101,283	7,898	28,346	4,227	234,821	20,540	134,893	26,579
• Industrial supplies	-	(27)	-	21	8	(66)	213	(107)
• Investment holding	-	9,267	-	(484)	-	8,645	-	(1,605)
• Others	-	(31)	-	(523)	-	(69)	-	(1,053)
	101,283	17,107	28,346	3,241	234,829	29,050	135,106	23,814
Finance income	-	448	-	119	-	963	-	272
Finance costs	-	(120)	-	(161)	-	(278)	-	(353)
	101,283	17,435	28,346	3,199	234,829	29,735	135,106	23,733
<u>Discontinued Operations</u>								
• Energy	-	-	-	(545)	-	-	-	(1,149)
	101,283	17,435	28,346	2,654	234,829	29,735	135,106	22,584

9. Carrying Amount of Revalued Assets

There were no valuations of property, plant and equipment brought forward from the preceding financial year financial statements. The property, plant and equipment are stated at their historical cost less accumulated depreciation and impairment loss as at 30 June 2021.

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

Ribu Permata Development Sdn Bhd, a wholly-owned subsidiary of the Company with an issued share capital of RM10,000 comprising 10,000 ordinary shares, had in April 2021 allotted an additional 5,000 ordinary shares of RM1.00 each of which 500 ordinary shares were subscribed by the Company whilst the remaining 4,500 ordinary shares were subscribed by bumiputra investors. Consequently, Ribu Permata Development Sdn Bhd became a 70% owned subsidiary of the Company.

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 30 June 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 30 June 2021 except as below:-

	RM'000
Inventories – property development costs	
- Leasehold land, at cost	47,726

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% owned subsidiary, Builtamont Development Sdn Bhd (formerly known as Builtamont Maxim Sdn Bhd) and another piece of leasehold land located at Bandar Sri Permaisuri, Cheras by the Company's 70% owned 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	Inc/(Dec) %	Cumulative Quarter		Inc/(Dec) %
	30/6/2021	30/6/2020				30/6/2021	30/6/2020	
Revenue								
• Property	101,283	28,346	257%	133,538	-24%	234,821	134,893	74%
• Industrial supplies	-	-	0%	8	-100%	8	213	-96%
	101,283	28,346	257%	133,546	-24%	234,829	135,106	74%
Profit/(Loss) before tax								
Continuing Operations								
• Property	7,898	4,227	87%	12,642	-38%	20,540	26,579	-23%
• Industrial supplies	(27)	21	-229%	(39)	-31%	(66)	(107)	-38%
• Investment holding	9,267	(484)	-2015%	(622)	-1590%	8,645	(1,605)	-639%
• Others	(31)	(523)	-94%	(38)	-18%	(69)	(1,053)	-93%
	17,107	3,241	428%	11,943	43%	29,050	23,814	22%
Finance income	448	119	276%	515	-13%	963	272	254%
Finance costs	(120)	(161)	-25%	(158)	-24%	(278)	(353)	-21%
	17,435	3,199	445%	12,300	42%	29,735	23,733	25%
Discontinued Operations								
• Energy	-	(545)	-100%	-	0%	-	(1,149)	-100%
	17,435	2,654	557%	12,300	42%	29,735	22,584	32%

Review on Performance – Current Quarter compared to Corresponding Quarter

a) Overall Review of Group performance

The Group's revenue grew substantially by 257% to register at RM101.3 million vis-à-vis the preceding year corresponding quarter due to the lower revenue in the preceding year corresponding quarter with the implementation of the movement control order to contain the outbreak of COVID-19 pandemic from 18 March 2020. Revenue was contributed substantially by the Property business segment with the Group's newly acquired development project named Residensi Majestic Maxim in November 2020, located in Alam Damai, Cheras contributed RM47.2 million. This was followed by RM36.8 million revenue from the affordable homes project, Residensi Metro Kepong located at Taman Metropolitan, Kepong whilst Mizumi Residences condominium project, also located at Taman Metropolitan, Kepong reported a lower revenue at RM16.9 million (as project physically completed and awaiting for the issuance of certificate of completion and compliance) vis-à-vis RM24.1 million in the preceding year corresponding quarter. The remainder development project, Ganggarak Permai located in Labuan FT which is also physically completed and awaiting for the issuance of certificate of completion and compliance, have reported a lower revenue at RM0.4 million vis-à-vis RM2.4 million in the preceding year corresponding quarter. Meanwhile, no contribution from industrial supplies due 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 the COVID-19 outbreak.

Meanwhile, profitability of the Property Business segment was contributed substantially by both, Residensi Majestic Maxim and Mizumi Residences and further aided by the recognition of net real property gain tax refund of RM12.3 million, to enable the Group to register profit before tax at RM17.4 million, an increase of 557% vis-à-vis RM2.7 million in the preceding year corresponding quarter.

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	RM684,187	RM294,600	RM790,756
Unbilled sales ('000)	RM5,393	RM12,760	RM143,431	RM162,523
Percentage completion (cumulative)	Phase 3 – 92.2% (June 2020: 62.5%) Phase 4 – 94.5% (June 2020: 79.1%)	98.1% (June 2020: 74.8%)	51.3% (June 2020: 6.9%)	79.5% (June 2020: Not applicable as project company acquired in November 2020)
Operating (loss)/profit for the quarter ('000)	(RM543) 2020: (RM22)	RM6,197 2020: RM4,292		RM3,313 2020: Not applicable

Ganggarak Permai's phases 3 and 4, both recorded a loss of RM0.54 million for the quarter under review (vis-à-vis operating loss of RM22,000 in the preceding year corresponding quarter) due to lower percentage completion achieved in the current quarter under review as the project is physically completed coupled with additional unbudgeted costs incurred to fulfill requirements imposed by local authorities. The Group is presently awaiting for the issuance of certificate of completion and compliance earlier envisaged in the quarter under review but has been delayed with the re-implementation of total nationwide lockdown since 1 June 2021.

Mizumi Residences is also awaiting for the issuance of certificate of completion and compliance to enable the delivering vacant possession to end purchasers, now envisaged sometime in the 3rd quarter of the current financial year, well within the delivery period to end purchasers. During the quarter under review, Mizumi Residences despite recorded a lower percentage completion of 2.2% with 100% take up rate vis-à-vis the preceding year corresponding quarter at 2.8% with 96.8% take up rate, contributed a higher operating profit at RM6.2 million vis-à-vis RM4.3 million registered in the preceding year corresponding quarter (with minimal contribution from Residensi Metro Kepong), due to some savings in budgeted cost.

Meanwhile, Residensi Metro Kepong, an affordable housing project, registered a satisfactory take-up rate where the total sold and booked units totals approximately 99.7% out of total available 1,520 units. Further, the project has achieved percentage of completion at 51.3% as at the end of the quarter under review whilst current quarter attained 12.1% (2020: 0.05%). The delivery of vacant possession is envisaged sometime in fourth quarter of financial year 2022.

Meanwhile, Residensi Majestic Maxim, a high-rise mixed development comprising an 8-storey commercial podium with retail/office units, commercial space and car park and 4 blocks of 37-storey service apartments in Alam Damai, Cheras, Kuala Lumpur has also progress satisfactorily on the back of movement restrictions. As at the end of the quarter under review, the project has achieved percentage completion of 79.5% with almost all the available 2,136 units of service apartment and 53 units of shop lot having been sold and/or booked. The quarter under review saw the percentage completion registering at 5.9% and after the adjustment made for the amortisation of property development cost at Group level amounting to RM8.9 million, the project reported an operating profit of RM3.3 million. The delivery of vacant possession is envisaged sometime in first half of financial year 2022.

Review on Performance - Current Quarter compared to Preceding Quarter

The re-implementation of total nationwide lockdown since 1 June 2021 has led to the Group's revenue for the current quarter registered at RM101.3 million or 24% lower than the preceding quarter. Residensi Majestic Maxim saw its revenue lower at RM47.2 million (vis-à-vis RM61.0 million in the preceding quarter) whilst Mizumi Residences and Residensi Metro Kepong, both registering lower revenue at RM16.9 million and RM36.8 million respectively (vis-à-vis RM24.1 million and RM42.6 million respectively in the preceding quarter). Consequently, the Group's profit before interest and tax was lower from the Property Business segment but aided by the recognition of net real property gain tax refund of RM12.3 million, the overall profit before interest and tax was higher at RM17.4 million (vis-à-vis RM12.3 million in the preceding quarter), an increase of 42%.

16. Prospects

On 28 May 2021, the Government of Malaysia declared a total nationwide lockdown commencing 1 June 2021 and was subsequently extended. From 24 July 2021, the construction sector was allowed to operate under strict compliance to standard operating procedures. Further, with effect from 16 August 2021, more economic sectors and all non-essential industries (including property development and construction) are allowed to resume operation in all phases of the National Recovery Plan. Such relaxation applies to those individuals who are fully vaccinated. The total lockdown has invariably delayed the progress of the Group's existing property development projects and also delayed the launching of new property development projects by the Group. At this stage, the Group has no visibility as to when the economy will be fully re-open and the full impact the lockdown on the demand and progress of the Group's existing and new development projects.

Against the above backdrop and the challenging residential property market, the Group's Property Development & Construction business segment is moving forward cautiously but yet optimistic. 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 before the end of the current financial year, leaving behind small percentage completion to be recognised for Mizumi Residences and for Phases 3 and 4 of 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.

Likewise, 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 half of 2022.

In replenishing its land bank, the Group has progressed much by inking a few acquisitions of land in the last three years 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 Group targets to launch the development of at least one of these newly acquired development land in the current financial year, albeit delayed due to the total nationwide lockdown.

Meanwhile, the Group remains in a good position to overcome the crisis posed by the COVID-19 pandemic with the backing of a respectable and healthy financial position cum liquidity. The health and safety of the Group's employees are always a priority and the Group has had made arrangements to have all its employees vaccinated whilst committed to continue in complying with strict standard operating procedures to mitigate the spread of COVID-19.

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, Government's measures through the pemulih aid package under the National Recovery Plan and coupled with the nationwide COVID-19 vaccine roll out since March 2021, will pave the way for the recovery in the economic activities and consumer confidence, both expected to spur the 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 various phases of movement control orders ("MCOs") which implemented since March 2020. The direct impact was the continuous disruption to the progress of the Group's 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 position of the Group. 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 periodically assess 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. Nevertheless, 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 on the back of the unpredictable operating environment.

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 (6 months ended)	
	30/6/2021 RM'000	30/6/2020 RM'000	30/6/2021 RM'000	30/6/2020 RM'000
Malaysian income tax:				
- Current tax	4,566	1,534	10,606	8,558
- Under provision in prior years	3,684	-	3,684	-
	<u>8,250</u>	<u>1,534</u>	<u>14,290</u>	<u>8,558</u>
Deferred tax	<u>(2,460)</u>	<u>(645)</u>	<u>(5,695)</u>	<u>(2,597)</u>
Total taxation	<u>5,790</u>	<u>889</u>	<u>8,595</u>	<u>5,961</u>

Included in the income tax figure for the quarter ended 30 June 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 30 June 2021 (both disposal completed in September/December 2020) is set out below:-

<u>Details of Utilisation</u>	Total (RM'000)	Actual		Timeframe for utilisation
		Utilisation to 30 June 2021 (RM'000)	Balance (RM'000)	
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	5,611	5,389	Within 12 months
4) Future investment in other complementary businesses and/or assets (Note 1)	113,000	26,039	86,961	-
5) Working capital purposes	8,450	4,307	4,143	Within 24 months
6) Estimated expenses in relation to the Proposal	20,300	12,725	7,575	Within 1 month
	<u>173,200</u>	<u>69,132</u>	<u>104,068</u>	

Note 1 - A sum of RM49.0 million will be received by 31 December 2023.

21. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/6/2021 RM'000	As at 30/6/2020 RM'000
(a) Current borrowings – secured		
Term loans	458	759
Lease liabilities	158	270
	<u>616</u>	<u>1,029</u>
(b) Non-current borrowings – secured		
Term loans	92,705	6,911
Bridging loan	4,100	-
Lease liabilities	31	204
	<u>96,836</u>	<u>7,115</u>

All the Group borrowings are denominated in Malaysian currency and are secured. Term loans and bridging loan increased significantly by RM89.6 million as compared to the preceding year corresponding quarter mainly due to term loans drawdown totalling of RM81.2 million to part finance the acquisition of two pieces of leasehold land by the Company's subsidiaries and an additional RM24.1 million being drawdown 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 rates 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 fourth quarter of 2022.

Further, the Company's 55% owned subsidiary company, Builtamont Development Sdn Bhd entered into a sale and purchase agreement 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 are 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 30 June 2021 are as follows:-

	Total RM'000		
Trade receivables	5,110		
Less : Allowance for Expected Credit Losses	(69)		
	<u>5,041</u>		
			As at 31/12/2020
	RM'000	%	RM'000
Neither past due nor impaired	792	15.7%	13,602
Past due 31 to 60 days not impaired	321	6.4%	3,720
Past due 61 to 90 days not impaired	418	8.3%	1,586
Past due > 91 days not impaired	3,510	69.6%	3,597
Past due > 91 days impaired	-	-	-
	<u>5,041</u>	<u>100%</u>	<u>22,505</u>

Trade receivables decreased significantly by 78% vis-à-vis the sum of RM22.51 million as at 31 December 2020 mainly due to the lower progress billing issued to end-purchasers towards the end of the quarter under review amounting to RM0.8 million vis-à-vis RM9.3 million as at 31 December 2020. Further aided by the reduction to RM nil retention sum in the trade receivables during the quarter under review vis-à-vis RM4.7 million as at 31 December 2020. This retention sum have been

fully released during the quarter under review 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, for 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 as at the end of the reporting quarter under review.

23. Financial Instruments

(a) Derivatives

There were no outstanding derivatives as at 30 June 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 30 June 2021.

24. Material Litigation

There was no other material litigation pending as at 23 August 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:-

With reference to the Company's announcement of 27 May 2021 whereby two of the Group's 90% owned subsidiary companies incorporated in the Republic of Indonesia, PT Trimegah Karya Utama ("PT TKU") and PT Manunggal Sukses Mandiri ("PT MSM") had decided 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 filing of the Judicial Review Petition is pending the execution of the required documents in Malaysia which have not progressed in view of the nationwide lockdown in Malaysia since 1 June 2021. The required documents are to be notarised followed by authentication by the Ministry of Foreign Affairs Malaysia prior to legalisation at the Embassy of the Republic of Indonesia in Kuala Lumpur, Malaysia.

Upon the required documents are duly available, PT TKU and PT MSM will immediately file the application for Judicial Review Petition to the Supreme Court of the Republic of Indonesia.

In relation to this application for Judicial Review Petition, the Group does not expect any material financial impact to the Group's earnings of the current financial year nor any impact on the Group's core operational business of Property Development & Construction.

25. Dividend Payable

The Board of Directors has declared an interim single-tier dividend in respect of the financial year ending 31 December 2021 of 1.0 sen (31 December 2020: NIL) per ordinary share.

Pursuant to Paragraph 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the interim dividend will be paid no later than three (3) months from the date of declaration. The Entitlement and Payment Date will be announced by the Company at a later date.

26. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 30/6/2021	Cumulative Quarter 30/6/2021
Profit for the financial period attributable to equity holders of the Company (RM'000)	<u>12,116</u>	<u>21,645</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,252,675</u>	<u>1,252,675</u>
Basic earnings per share (sen)	<u>0.97</u>	<u>1.73</u>

27. Additional Disclosures for Profit for the Financial Period

	Current Quarter 30/06/2021 RM'000	Cumulative Quarter 30/6/2021 RM'000
<i>Profit for the financial period is arrived at after crediting:-</i>		
Finance income	448	963
Rental income	7	14
Gain on dilution of interests in subsidiary companies	3	4
Gain on unwinding discount of other receivable	<u>211</u>	<u>490</u>
<i>and after charging:-</i>		
Finance costs	120	278
Rental of property	51	103
Rental of equipment	2	5
Depreciation of property, plant and equipment	<u>177</u>	<u>360</u>

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 30 June 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 26 August 2021.