

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30-9-2021	30-9-2020	30-9-2021	30-9-2020
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	71,072	103,930	305,901	239,036
Cost of sales	<u>(62,354)</u>	<u>(79,952)</u>	<u>(271,602)</u>	<u>(183,270)</u>
Gross profit	8,718	23,978	34,299	55,766
Other operating income	356	22	13,429	453
Gain on disposal of a subsidiary	-	40,624	-	40,624
Operating expenses	<u>(2,978)</u>	<u>(23,019)</u>	<u>(12,582)</u>	<u>(31,424)</u>
Operating profit	6,096	41,605	35,146	65,419
Finance income	398	288	1,361	560
Finance costs	<u>(254)</u>	<u>(184)</u>	<u>(532)</u>	<u>(537)</u>
Profit before taxation	6,240	41,709	35,975	65,442
Taxation	<u>(1,426)</u>	<u>(4,805)</u>	<u>(10,021)</u>	<u>(10,766)</u>
Net profit from continuing operations	4,814	36,904	25,954	54,676
Net loss from discontinued operations	-	(595)	-	(1,744)
Net profit for the financial period	4,814	36,309	25,954	52,932
Other comprehensive income, net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	(210)	551	(158)	439
Total comprehensive income for the financial period	4,604	36,860	25,796	53,371
Net profit attributable to :				
Owners of the Company	4,904	36,366	26,549	53,068
Non-controlling interests	<u>(90)</u>	<u>(57)</u>	<u>(595)</u>	<u>(136)</u>
	4,814	36,309	25,954	52,932
Total comprehensive profit attributable to :				
Owners of the Company	4,694	36,917	26,391	53,507
Non-controlling interests	<u>(90)</u>	<u>(57)</u>	<u>(595)</u>	<u>(136)</u>
	4,604	36,860	25,796	53,371
Basic earnings per ordinary share (sen)				
- from continuing operations	0.39	4.72	2.12	7.00
- from discontinued operations	<u>-</u>	<u>(0.08)</u>	<u>-</u>	<u>(0.22)</u>
	0.39	4.64	2.12	6.78

(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)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	(UNAUDITED) As At End Of Current Quarter 30-9-2021 RM'000	(AUDITED) As At Preceding Financial Year End 31-12-2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,480	12,910
Other investments	77	77
Inventories - property development costs	117,172	48,855
Deferred tax assets	283	279
Other receivables	51,778	51,002
	181,790	113,123
Current assets		
Inventories - property development costs	222,296	222,792
Trade receivables	67,286	22,505
Contract assets	232,299	310,138
Other receivables, deposits and prepayments	14,189	64,004
Other investments	59,250	91,728
Tax recoverable	8,337	3,299
Deposits with licensed banks	1,412	1,317
Cash and bank balances	172,389	20,946
	777,458	736,729
TOTAL ASSETS	959,248	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	1,375	1,533
Retained earnings/(Accumulated losses)	727	(25,822)
Shareholders' funds	454,985	428,594
Non-controlling interests	2,415	2,249
TOTAL EQUITY	457,400	430,843

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

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30-9-2021 RM'000	As At Preceding Financial Year End 31-12-2020 RM'000
Non-current liabilities		
Deferred tax liabilities	29,629	36,617
Lease liabilities	26	58
Bank borrowings	124,999	33,509
	154,654	70,184
Current liabilities		
Trade payables	108,337	99,680
Other payables, deposits and accruals	211,253	230,506
Amount due to directors	8,378	14,731
Lease liabilities	131	195
Bank borrowings	15,216	449
Tax payable	3,879	3,264
	347,194	348,825
TOTAL LIABILITIES	501,848	419,009
TOTAL EQUITY AND LIABILITIES	959,248	849,852
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	36.3	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)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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>9 months ended 30 September 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	-	-	-	-	26,549	26,549	(595)	25,954
Subscription of shares by non-controlling interests	-	-	-	-	-	-	761	761
Exchange differences on translation of foreign entities	-	-	-	(158)	-	(158)	-	(158)
As at 30 September 2021	452,510	(155)	528	1,375	727	454,985	2,415	457,400
<u>9 months ended 30 September 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	-	-	-	-	53,068	53,068	(136)	52,932
Realisation of revaluation reserve	-	-	-	(56,611)	56,611	-	-	-
Non-controlling interests share of net assets of a subsidiary acquired by the Group	-	-	-	-	-	-	1,849	1,849
Subscription of shares by non-controlling interests	-	-	-	-	-	-	500	500
Exchange differences on translation of foreign entities	-	-	-	439	-	439	-	439
As at 30 September 2020	337,510	(155)	469	1,722	110,000	449,546	28,961	478,507

(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)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
(The figures have not been audited)

	Cumulative Quarter	
	9 months ended	
	30-9-2021	30-9-2020
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax from continuing operations	35,975	65,442
Loss from discontinued operations	-	(1,744)
<u>Adjustments for:-</u>		
Goodwill written off	-	18,398
Depreciation	516	3,384
Gain on disposal of a subsidiary company	-	(40,624)
Finance cost	532	537
Finance income	(1,361)	(560)
Gain on dilution of interests in subsidiary companies	(6)	-
Gain on unwinding discount of other receivable	(701)	-
Gain on disposal of property, plant and equipment	(7)	(183)
Operating profit before working capital changes	34,948	44,650
<u>Changes in working capital:</u>		
Contract assets/(liabilities)	76,127	(77,574)
Inventories - property development costs	(64,623)	37,841
Receivables	5,034	25,941
Payables	(8,884)	11,680
Net cash generated from operations	42,602	42,538
Finance income received	1,286	560
Finance cost paid	(3,730)	(727)
Tax paid (net)	(21,429)	(11,352)
Net cash from operating activities	18,729	31,019
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(89)	(5,600)
Acquisition of subsidiary companies, net of cash and cash equivalents	-	(20,410)
Other investments	32,478	(39,204)
Proceeds from disposal of subsidiary companies, net of cash and cash equivalents	-	49,891
Proceeds from disposal of property, plant and equipment	10	200
Placement of deposits pledged with licensed banks	(95)	-
Net cash from/(used in) investing activities	32,304	(15,123)
FINANCING ACTIVITIES		
Repayment to Directors	(6,353)	(2,352)
Drawn down of bank borrowings	123,235	-
Repayment of bank borrowings	(16,978)	(18,295)
Repayment of lease liabilities	(96)	(209)
Issuance of shares to non-controlling interests	767	-
Net cash from/(used in) financing activities	100,575	(20,856)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	151,608	(4,960)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(165)	454
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	20,946	34,350
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	172,389	29,844
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	2,797
Cash and bank balances	172,389	28,344
	173,801	31,141
Less: Deposits with licensed banks pledged as security for banking facilities	(1,412)	(1,297)
	172,389	29,844
	-	

(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 September 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

The Board of Directors has on 26 August 2021 declared a first interim single-tier dividend of 1.0 sen per ordinary share (2020: nil) on the 1,252,674,847 ordinary shares amounting to RM12.53 million for the financial year ending 31 December 2021. The dividend has been paid on 12 November 2021 to shareholders whose names appeared in the Record of Depositors on 1 November 2021.

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 9 months ended			
	30/9/2021		30/9/2020		30/9/2021		30/9/2020	
	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
Continuing Operations								
• Property	71,072	4,341	103,869	21,207	305,893	24,881	238,762	47,786
• Industrial supplies	-	(20)	61	(82)	8	(86)	274	(189)
• Investment holding	-	1,807	-	21,002	-	10,452	-	19,397
• Others	-	(32)	-	(522)	-	(101)	-	(1,575)
	71,072	6,096	103,930	41,605	305,901	35,146	239,036	65,419
Finance income	-	398	-	288	-	1,361	-	560
Finance costs	-	(254)	-	(184)	-	(532)	-	(537)
	71,072	6,240	103,930	41,709	305,901	35,975	239,036	65,442
Discontinued Operations								
• Energy	-	-	-	(595)	-	-	-	(1,744)
	71,072	6,240	103,930	41,114	305,901	35,975	239,036	63,698

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 September 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

On 15 September 2021, Prominent Maxim Sdn Bhd (formerly known as Tadmax Builders (Labuan) Sdn Bhd) became a 51% owned subsidiary of the Company (from a wholly-owned subsidiary) following the subscription and allotment of ordinary shares to an unrelated third party, Parallel Strength Sdn Bhd, resulting in Parallel Strength Sdn Bhd holding a 49% equity interest.

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 September 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 September 2021 except as below:-

	RM'000
Inventories – property development costs	
- Leasehold land, at cost	18,326

The above other commitment is 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), of which the sale purchase agreement is 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) %
	30/9/2021	30/9/2020				30/9/2021	30/9/2020	
Revenue				30/6/2021				
• Property	71,072	103,869	-32%	101,283	-30%	305,893	238,762	28%
• Industrial supplies	-	61	0%	-	#DIV/0!	8	274	-97%
	71,072	103,930	-32%	101,283	-30%	305,901	239,036	28%
Profit/(Loss) before tax								
Continuing Operations								
• Property	4,341	21,207	-80%	7,898	-45%	24,881	47,786	-48%
• Industrial supplies	(20)	(82)	-76%	(27)	-26%	(86)	(189)	-54%
• Investment holding	1,807	21,002	-91%	9,267	-81%	10,452	19,397	-46%
• Others	(32)	(522)	-94%	(31)	3%	(101)	(1,575)	-94%
	6,096	41,605	-85%	17,107	-64%	35,146	65,419	-46%
Finance income	398	288	38%	448	-11%	1,361	560	143%
Finance costs	(254)	(184)	38%	(120)	112%	(532)	(537)	-1%
	6,240	41,709	-85%	17,435	-64%	35,975	65,442	-45%
Discontinued Operations								
• Energy	-	(595)	-100%	-	0%	-	(1,744)	-100%
	6,240	41,114	-85%	17,435	-64%	35,975	63,698	-44%

Review on Performance – Current Quarter compared to Corresponding Quarter

a) Overall Review of Group performance

The current quarter marks a significant milestone for the Group with the delivery of vacant possession of Mizumi Residences located at Taman Metropolitan, Kepong to its end-purchasers. Further, during the quarter under review, from 10 September 2021, Selangor, Kuala Lumpur and Putrajaya transitioned to phase two of the National Recovery Plan (from the full movement control order imposed on 1 June 2021). The delivery of vacant possession also will see the end of revenue and profit recognition from Mizumi Residences since its maiden recognition since June 2017. Whilst the transition to phase two of the National Recovery Plan enabled the Group to jumpstart its activities at project site for its other property development projects.

On the above premise, the Group's revenue reduced by 32% to register at RM71.1 million vis-à-vis the preceding year corresponding quarter of RM103.9 million due mainly to Mizumi Residences reported revenue of RM12.8 million (on the back of 1.9% completion) vis-à-vis in the preceding year corresponding quarter of RM75.7 million (on the back of 10.1% completion). Remaining revenue were contributed by the other ongoing property development projects with RM32.7 million (Q3 2020: RM19.9 million) from affordable homes project, Residensi Metro Kepong located at Taman Metropolitan, Kepong, RM23.6 million (Q3 2020: RM nil) from Residensi Majestic Maxim located in Alam Damai, Cheras which was newly acquired by the Group in November 2020, and lastly from Ganggarak Permai located in Labuan FT which reported a meagre revenue of RM1.9

million (Q3 2020: RM8.3 million) as it is physically completed and awaiting for the issuance of certificate of completion and compliance. 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.

On the back of the lower Revenue, on overall basis, the Group achieved a much lower profit before interest and tax for the current quarter of RM6.1 million, a decline by 85% vis-à-vis profit before interest and tax of RM41.6 million reported in the preceding year corresponding quarter which in turn includes a one-off gain of RM40.6 million arising from the disposal of 60% equity interest in a former subsidiary, Pulau Indah Power Plant Sdn Bhd, set-off by goodwill written off of RM18.4 million arising from the acquisition of two subsidiary companies.

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	RM684,226	RM296,308	RM791,328
Unbilled sales ('000)	RM3,485	RM0	RM112,391	RM139,480
Percentage completion (cumulative)	Phase 3 – 95.0% (September 2020: 72.1%) Phase 4 – 96.2% (September 2020: 84.5%)	100.0% (September 2020: 84.9%)	62.1% (September 2020: 13.5%)	82.4% (September 2020: Not applicable as project company acquired in November 2020)
Operating (loss)/profit for the quarter ('000)	(RM2,525) 2020: RM995	RM5,567 2020: RM20,486		RM1,614 2020: Not applicable

Ganggarak Permai's phases 3 and 4, both recorded a loss of RM2.5 million for the quarter under review (vis-à-vis operating profit of RM1.0 million 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 additional requirements imposed by local authorities and the accruals for tax penalties of RM2.0 million arising from prior financial years' taxation. 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 until 11 August 2021 where Labuan FT resumes work under phase three of the National Recovery Plan.

Mizumi Residences was duly completed with issuance of certificate of completion and compliance on 12 August 2021 and followed by handing over of vacant possession to end purchasers in September 2021. The completion of Mizumi Residences has led a sharp decline of operating profit at RM5.6 million vis-à-vis RM20.5 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 100% take-up rate for all its 1,520 units of apartment. Further, the project has achieved percentage of completion at 62.1% as at the end of the quarter under review whilst current quarter attained 10.8% (Q3 2020: 6.6%). The delivery of vacant possession is envisaged sometime in first quarter of financial year 2023.

The fourth project, 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 achieved cumulative percentage completion of 82.4% with almost all the available 2,136 units of service apartments along with 53 units of shop lots having been sold and/or booked. The quarter under review saw the percentage completion registering at 2.9% and after the adjustment at Group level for the amortisation of property development cost of RM4.3 million, the project reported an operating profit of RM1.6 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 Group's revenue for the current quarter registered at RM71.1 million or 30% lower than the preceding quarter as development progress hampered by the implementation of full movement control order since 1 June 2021 until 10 September 2021 where Selangor, Kuala Lumpur and Putrajaya transitioned to phase two of the National Recovery Plan. Consequently, Residensi Majestic Maxim saw its revenue lower at RM23.6 million (Q2 2021: RM47.2 million) whilst Mizumi Residences and Residensi Metro Kepong, both registering lower revenue at RM12.8 million and RM32.7 million respectively (Q2 2021: RM16.9 million and RM36.8 million respectively). The above lead to the Group's profit before interest and tax lower at RM6.1 million (vis-à-vis RM17.1 million in the preceding quarter), a decline of 64%.

16. Prospects

With the full opening of the domestic economy expected by the fourth quarter of 2021, the Malaysian economy is hoping to resume its pre-pandemic growth trajectory by 2022 and this will invariably spur the property sector. Further supported by the Malaysian Budget 2022 announced on 29 October 2021 by the Minister of Finance with total allocation of RM332.1 billion (the highest allocation thus far) which focused on driving economic recovery, rebuilding national resilience and catalysing reforms,

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 its existing project, namely, Residensi Majestic Maxim in Alam Damai, Cheras, Kuala Lumpur will provide good earning visibility of the Group's performance for the remainder period of the current financial year. Meanwhile, Ganggarak Permai, which is physically completed, is scheduled for delivery of vacant possession before the end of the current financial year, leaving behind a small percentage completion to be recognised 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 first quarter of financial year 2023 but profit contribution will not be significant in view of the nature of the development.

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. However, the movement restrictions since March 2020 has undoubtedly delayed the intended launching of new property development projects by the Group. In any event, the Group targets to launch the development of at least one of these newly acquired development land within the next few months.

Meanwhile, the Group remains in a good position to overcome the challenges posed by the COVID-19 pandemic with the backing of a respectable and healthy financial position cum liquidity, aided by the completion of Mizumi Residences which delivery of vacant possession was undertaken in September 2021. The health and safety of the Group's employees are always a priority and the Group is pleased to informed that all its employees are fully vaccinated and the Group is committed to continue in complying with strict standard operating procedures to curb the spread of COVID-19. The Group has assessed the overall impact of the COVID-19 pandemic 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 and financial position.

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. The Group believes this will remain the favourite in the medium-term. The low interest rate regime, the abundant market liquidity, the Government's measures through the various stimulus packages introduced since the pandemic and coupled with almost all adults in the country are fully vaccinated, will pave the way for the recovery in the economic activities and consumer confidence, both expected to spur the demand for properties in moving forward.

17. Profit Forecast and Profit Guarantee

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

18. Taxation

Taxation comprises the following:

	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30/9/2021 RM'000	30/9/2020 RM'000	30/9/2021 RM'000	30/9/2020 RM'000
Malaysian income tax:				
- Current tax	2,882	6,378	13,488	14,936
- (Over)/Under provision in prior financial years	(166)	12	3,518	12
	<u>2,716</u>	<u>6,390</u>	<u>17,006</u>	<u>14,948</u>
Deferred tax	<u>(1,290)</u>	<u>(1,585)</u>	<u>(6,985)</u>	<u>(4,182)</u>
Total taxation	<u>1,426</u>	<u>4,805</u>	<u>10,021</u>	<u>10,766</u>

Included in the income tax figure for the quarter ended 30 September 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.

19. Corporate ProposalsStatus 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 September 2021 (both disposal completed in September/December 2020) is set out below:-

<u>Details of Utilisation</u>	Total (RM'000)	Actual Utilisation to 30 September 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	8,361	2,639	Within 12 months
4) Future investment in other complementary businesses and/or assets (Note 1)	113,000	31,252	81,748	-
5) Working capital purposes	8,450	5,040	3,410	Within 24 months
6) Estimated expenses in relation to the Proposal	20,300	20,300	-	Within 1 month
	173,200	85,403	87,797	

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

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/9/2021 RM'000	As at 30/9/2020 RM'000
(a) Current borrowings – secured		
Term loans	3,856	445
Bridging loan	11,360	-
Lease liabilities	131	248
	15,347	693
(b) Non-current borrowings – secured		
Term loans	124,999	4,276
Lease liabilities	26	121
	125,025	4,397

All the Group’s borrowings are denominated in Malaysian currency and are secured. Term loans and bridging loan increased significantly by RM135.5 million as compared to the preceding year corresponding quarter mainly due to term loans drawdown totalling of RM121.2 million to part

finance the acquisition of three pieces of leasehold land by the Company's subsidiaries and an additional RM31.4 million being drawdown to finance the Group's Residensi Metro Kepong property development project in Taman Metropolitan, Kepong, set off by the 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 as the Company's 55% owned subsidiary company, Bultamont Development Sdn Bhd entered into a sale and purchase agreement to acquire a piece of leasehold land, measuring 10,532 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. The banking facility is expected to be drawn down in the 4th quarter of the current financial year.

21. Trade Receivables

The Trade Receivables and corresponding ageing of the Group as at 30 September 2021 are as follows:-

	Total RM'000		
Trade receivables	67,355		
Less : Allowance for Expected Credit Losses	<u>(69)</u>		
	<u>67,286</u>		
			As at 31/12/2020
	RM'000	%	RM'000
Neither past due nor impaired	64,724	96.1%	13,602
Past due 31 to 60 days not impaired	336	0.5%	3,720
Past due 61 to 90 days not impaired	65	0.1%	1,586
Past due > 91 days not impaired	2,161	3.2%	3,597
Past due > 91 days impaired	69	0.1%	68
	<u>67,355</u>	<u>100%</u>	<u>22,573</u>

Trade receivables increased significantly by 198% vis-à-vis the sum of RM22.57 million as at 31 December 2020 mainly due to the higher unsettled progress billing issued to end-purchasers towards the end of the quarter under review amounting to RM64.7 million vis-à-vis RM9.3 million as at 31 December 2020. Included in the trade receivables is retention sum of RM31.5 million (31 December 2020: RM4.7 million) 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, 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.

22. Financial Instruments

(a) Derivatives

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

23. Material Litigation

There was no other material litigation pending as at 19 November 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 12 October 2021, two of the Group's 90% owned subsidiary companies incorporated in the Republic of Indonesia, PT Trimegah Karya Utama and PT Manunggal Sukses Mandiri had filed applications 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.

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.

24. Dividend Declared

(a) The Board of Directors has on 26 August 2021 declared a first interim single-tier dividend in respect of the financial year ending 31 December 2021:

Amount per ordinary share	:	1.0 sen single-tier dividend
Entitlement to dividend based on record of depositors as at	:	1 November 2021
Payment date	:	12 November 2021

(b) Total dividend declared for the current financial period: 1 sen single-tier dividend (31 December 2020: Nil).

25. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 30/9/2021	Cumulative Quarter 30/9/2021
Net Profit for the financial period attributable to equity holders of the Company (RM'000)	<u>4,904</u>	<u>26,549</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,252,675</u>	<u>1,252,675</u>
Basic earnings per ordinary share (sen)	<u>0.39</u>	<u>2.12</u>

26. Additional Disclosures for Profit for the Financial Period

	Current Quarter 30/09/2021 RM'000	Cumulative Quarter 30/9/2021 RM'000
<i>Profit for the financial period is arrived at after crediting:-</i>		
Finance income	398	1,361
Rental income	7	21
Gain on dilution of interests in subsidiary companies	2	6
Gain on unwinding discount of other receivable	211	701
Gain on disposal of property, plant and equipment	7	7
	<hr/>	<hr/>
<i>and after charging:-</i>		
Finance costs	254	532
Rental of property	46	149
Rental of equipment	1	6
Depreciation of property, plant and equipment	156	516
	<hr/>	<hr/>

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 September 2021.

27. 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 25 November 2021.

END