

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

(The figures have not been audited)

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31-3-2022 RM'000	31-3-2021 RM'000	31-3-2022 RM'000	31-3-2021 RM'000
Continuing Operations				
Revenue	41,947	133,546	41,947	133,546
Cost of sales	<u>(38,915)</u>	<u>(118,609)</u>	<u>(38,915)</u>	<u>(118,609)</u>
Gross profit	3,032	14,937	3,032	14,937
Other operating income	349	490	349	490
Operating expenses	<u>(3,003)</u>	<u>(3,484)</u>	<u>(3,003)</u>	<u>(3,484)</u>
Operating profit	378	11,943	378	11,943
Finance income	538	515	538	515
Finance costs	<u>(39)</u>	<u>(158)</u>	<u>(39)</u>	<u>(158)</u>
Profit before taxation	877	12,300	877	12,300
Taxation	<u>(597)</u>	<u>(2,805)</u>	<u>(597)</u>	<u>(2,805)</u>
Net profit for the financial period	280	9,495	280	9,495
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	74	77	74	77
Total comprehensive income for the financial period	354	9,572	354	9,572
Net profit/(loss) attributable to :				
Owners of the Company	363	9,529	363	9,529
Non-controlling interests	<u>(83)</u>	<u>(34)</u>	<u>(83)</u>	<u>(34)</u>
	280	9,495	280	9,495
Total comprehensive income/(loss) attributable to :				
Owners of the Company	437	9,606	437	9,606
Non-controlling interests	<u>(83)</u>	<u>(34)</u>	<u>(83)</u>	<u>(34)</u>
	354	9,572	354	9,572
Basic earnings per ordinary share (sen)				
- from continuing operations	0.03	0.76	0.03	0.76
- from discontinued operations	-	-	-	-
	0.03	0.76	0.03	0.76

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 31 MARCH 2022

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Year Ended	Year Ended
	31-3-2022	31-12-2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,157	12,268
Other investment	77	77
Inventories - property development costs	8,069	7,960
Deferred tax assets	256	284
Other receivables	52,254	52,015
	72,813	72,604
Current assets		
Inventories - completed properties	285	292
Inventories - property development costs	366,892	365,287
Trade receivables	40,627	43,770
Contract assets	245,386	237,721
Other receivables, deposits and prepayments	11,117	9,999
Short-term investments	112,881	113,072
Tax recoverable	5,729	4,651
Deposits with licensed banks	83	82
Cash and bank balances	24,271	39,491
	807,271	814,365
TOTAL ASSETS	880,084	886,969
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	452,510	452,510
Share option reserve	586	586
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,406	1,332
Accumulated losses	(9,848)	(10,211)
Shareholders' funds	444,499	444,062
Non-controlling interests	19,428	2,350
TOTAL EQUITY	463,927	446,412

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 - continued

	(UNAUDITED)	(AUDITED)
	As At Financial Year Ended 31-3-2022 RM'000	As At Financial Year Ended 31-12-2021 RM'000
Non-current liabilities		
Other payables	831	16,873
Deferred tax liabilities	9,593	10,561
Lease liabilities	-	11
Bank borrowings	134,340	126,275
	144,764	153,720
Current liabilities		
Trade payables	82,208	85,608
Other payables, deposits and accruals	173,750	181,237
Amount due to directors	6,478	8,378
Lease liabilities	63	100
Bank borrowings	471	466
Tax payable	8,423	11,048
	271,393	286,837
TOTAL LIABILITIES	416,157	440,557
TOTAL EQUITY AND LIABILITIES	880,084	886,969
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	35.5	35.4

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 2021 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 31 MARCH 2022

(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 Accumulated Losses RM'000			
3 months ended 31 March 2022								
As at 1 January 2022	452,510	(155)	586	1,332	(10,211)	444,062	2,350	446,412
Net profit/(loss) for the financial period	-	-	-	-	363	363	(83)	280
Realisation of foreign exchange translation reserve	-	-	-	74	-	74	-	74
Total comprehensive income/(loss) for the financial period	-	-	-	74	363	437	(83)	354
Subscription of shares by non-controlling interests	-	-	-	-	-	-	17,161	17,161
As at 31 March 2022	452,510	(155)	586	1,406	(9,848)	444,499	19,428	463,927
3 months ended 31 March 2021								
As at 1 January 2021	452,510	(155)	528	1,533	(25,822)	428,594	2,249	430,843
Net profit/(loss) for the financial period	-	-	-	-	9,529	9,529	(34)	9,495
Realisation of foreign exchange translation reserve	-	-	-	77	-	77	-	77
Total comprehensive income/(loss) for the financial period	-	-	-	77	9,529	9,606	(34)	9,572
Subscription of shares by non-controlling interests	-	-	-	-	-	-	287	287
As at 31 March 2021	452,510	(155)	528	1,610	(16,293)	438,200	2,502	440,702

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
(The figures have not been audited)

	3 months ended	
	31-3-2022	31-3-2021
	RM'000	RM'000
		(RESTATED)
OPERATING ACTIVITIES		
Profit before taxation	877	12,300
<u>Adjustments for:-</u>		
Depreciation	147	183
Finance cost	39	158
Finance income	(538)	(515)
Gain on dilution of interests in subsidiary companies	-	(1)
Gain on unwinding discount on other receivable	(213)	(279)
Operating profit before working capital changes	312	11,846
<u>Changes in working capital:</u>		
Inventories	7	-
Contract assets	(7,776)	4,211
Inventories - property development costs	(264)	(40,000)
Receivables	2,025	15,579
Payables	(26,818)	(12,127)
Net cash used in operations	(32,514)	(20,491)
Finance income received	512	490
Finance cost paid	(1,488)	(1,184)
Tax paid (net)	(5,243)	(7,627)
Net cash used in operating activities	(38,733)	(28,812)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(36)	(86)
Proceeds from disposal of property, plant and equipment	-	3
Placement of deposits pledged with licensed banks	-	(33)
Net cash used in investing activities	(36)	(116)
FINANCING ACTIVITIES		
Repayment to Directors	(1,900)	(1,352)
Drawn down of bank borrowings	8,185	61,875
Repayment of bank borrowings	(115)	(3,058)
Repayment of lease liabilities	(48)	(45)
Issuance of shares to non-controlling interests	17,161	287
Net cash from financing activities	23,283	57,707
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,486)	28,779
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	75	78
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	152,563	112,674
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	137,152	141,531
 Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	83	1,350
Short-term investments	112,881	59,326
Cash and bank balances	24,271	82,205
	137,235	142,881
Less: Deposits with licensed banks pledged as securities for banking facilities	(83)	(1,350)
	137,152	141,531
	-	-

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022**

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 2021.

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 2021, 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 2022.

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 2021 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 financial 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 quarter under review.

7. Dividends Paid

There was no dividend paid during the quarter ended 31 March 2022 (31 March 2021: 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			
	31/3/2022		31/3/2021		31/3/2022		31/3/2021	
	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	41,947	1,801	133,538	12,642	41,947	1,801	133,538	12,642
• Industrial supplies	-	(27)	8	(39)	-	(27)	8	(39)
• Investment holding	-	(1,357)	-	(622)	-	(1,357)	-	(622)
• Others	-	(39)	-	(38)	-	(39)	-	(38)
	41,947	378	133,546	11,943	41,947	378	133,546	11,943
Finance income	-	538	-	515	-	538	-	515
Finance costs	-	(39)	-	(158)	-	(39)	-	(158)
	41,947	877	133,546	12,300	41,947	877	133,546	12,300

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 accumulated impairment as at end of the quarter under review.

10. Subsequent Material Events

There were no material events subsequent to the end of the 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

There were no changes in the composition of the Group during the quarter under review.

12. Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as at end of the quarter under review 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 end of the quarter under review except as below:-

	RM'000
Inventories – property development costs	
- Leasehold land, at cost	23,130

The above other commitment is in respect of the acquisition of a piece of leasehold land located at Prima Setapak, Kuala Lumpur by the Company's 51% owned subsidiary, Prominent Maxim Sdn Bhd, of which the sale purchase agreement is pending completion as at the end of the quarter under review.

14. Significant Related Party Transactions

There are no significant related party transactions in the 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) %
	31/3/2022	31/3/2021				31/3/2022	31/3/2021	
Revenue								
• Property	41,947	133,538	-69%	57,706	-27%	41,947	133,538	-69%
• Industrial supplies	-	8	-100%	-	0%	-	8	-100%
	41,947	133,546	-69%	57,706	-27%	41,947	133,546	-69%
Profit before tax								
Continuing Operations								
• Property	1,801	12,642	-86%	2,547	-29%	1,801	12,642	-86%
• Industrial supplies	(27)	(39)	-31%	(25)	8%	(27)	(39)	-31%
• Investment holding	(1,357)	(622)	118%	(837)	62%	(1,357)	(622)	118%
• Others	(39)	(38)	3%	(31)	26%	(39)	(38)	3%
	378	11,943	-97%	1,654	-77%	378	11,943	-97%
Finance income	538	515	4%	555	-3%	538	515	4%
Finance costs	(39)	(158)	-75%	(137)	-72%	(39)	(158)	-75%
	877	12,300	-93%	2,072	-58%	877	12,300	-93%

Review on Performance –Quarter under review compared to Preceding Year Corresponding Quarter

a) Overall Review of Group's performance

A lower revenue by 69% in the quarter under review vis-à-vis the preceding year corresponding quarter is attributable to the lower percentage completion of both the existing development projects, Residensi Metro Kepong and Residensi Majestic Maxim due to their advance stage of completion. Further, the quarter under review no longer register any revenue from Mizumi Residences following the delivery of vacant possession to its end-purchasers in September 2021.

Meanwhile, no contribution from industrial supplies as the trading of building materials was affected by the competitiveness of the business.

On the back of the lower revenue coupled with the lower overall gross margin (due to the exclusion of the higher gross margin of Mizumi Residences), the Group achieved a lower profit before interest and tax for the quarter under review of RM0.4 million, a decline of 97% vis-à-vis profit before interest and tax of RM11.9 million reported in the preceding year corresponding quarter.

b) **Segmental Review**• **Property**

This business segment presently comprised three (3) property development projects, namely, Ganggarak Permai in Ganggarak, Labuan FT, Residensi Metro Kepong 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 FT</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	RM683,773	RM296,740	RM793,551
Unbilled sales ('000)	RM950	RM0	RM63,629	RM83,324
Percentage completion (cumulative)	Phase 3 – 98.9% (March 2021: 91.5%) Phase 4 – 97.9% (March 2021: 94.5%)	100.0% (March 2021: 95.9%)	75.2% (March 2021: 39.3%)	89.5% (March 2021: 73.5%)
Operating (loss)/profit for the quarter ('000)	(RM333) 2021: RM139	RM798 2021: RM8,335		RM1,556 2020: RM4,306

Ganggarak Permai's phases 3 and 4, both recorded a marginal operating loss of RM0.3 million for the quarter under review vis-à-vis operating profit of RM0.1 million in the preceding year corresponding quarter due to operating expenses incurred without any revenue registered. The latter was attributable to the project has been physically completed since the middle of the preceding financial year and is presently awaiting for the issuance of certificate of completion and compliance ("CCC"). The CCC is now envisaged in the second quarter of the financial year under review following the receipt of all the required letters of support from the relevant authorities.

Residensi Metro Kepong registered a 100% take-up rate for all its 1,520 units of apartment. Further, the project has achieved a cumulative percentage of completion at 75.2% as at the end of the quarter under review whilst quarter under review attained lower percentage of completion at 6.7% vis-à-vis Q1 2021 at 13.6%. The delivery of vacant possession is ahead of its contractual delivery term and is envisaged sometime in first quarter of financial year 2023.

Meanwhile, **Residensi Majestic Maxim** is presently working towards procuring the issuance of certificate of completion and compliance to enable the delivering vacant possession to end purchasers, now envisaged in the third quarter of the financial year under review. As at the end of the quarter under review, the project has achieved cumulative percentage of completion at 89.5% with all the available 2,136 units of service apartments and 53 units of shop lots having been sold and/or booked. The quarter under review saw the percentage of completion registering lower at 2.7% (Q1 2021: 7.7%) attributable to its advance stage of completion. The project reported an operating profit of RM1.6 million, net of the adjustment made for the amortisation of property development cost at Group level amounting to RM4.0 million.

Review on Performance - Quarter under review compared to Preceding Quarter

The Group's revenue for the quarter under review registered at RM41.9 million or 27% lower than the preceding quarter mainly due to lower revenue posted by Residensi Majestic Maxim in the quarter under review of RM22.1 million vis-à-vis the preceding quarter of RM36.3 million. The above was the main contributor towards the Group's lower profit before interest and tax at RM0.4 million (vis-à-vis RM1.7 million in the preceding quarter), a decline of 77%.

16. Prospects

Malaysia has begun its transition to endemic phase with the reopening of international borders on 1st April 2022. The Malaysian economy is expected to be back to its pre-pandemic growth trajectory in the current financial year 2022 and hence positively 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. The Malaysian economy is expecting a favourable outlook, considering various factors, including the effective vaccination programme under the National COVID-19 Immunisation Programme, various stimulus and assistance packages to support the people and a strong global economic prospect.

However, the envisaged economic growth in 2022 has taken a hard knock with the invasion of Ukraine by Russia since 24 February 2022 with no sign of abating, threw a spanner in the works. The invasion will cause economic repercussions globally and in Malaysia, ramping up uncertainty and potentially pushing up inflation as oil, gas and food prices rise around the world. Further, the aftermath from COVID-19 outbreak, besides causing lasting health effects to some segment of the population, in the Property Development & Construction industry, the building material costs have escalated drastically.

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 completion of its existing project, namely, Residensi Majestic Maxim in Alam Damai, Cheras, Kuala Lumpur will provide good earning visibility of the Group's performance. However, this contribution is expected to end by third quarter of the financial year under review with the envisaged delivery of vacant possession by then and that its profit contribution will be mitigated by the adjustment for the amortisation of property development cost at group level arising from the acquisition. However, the Group will enjoy all the cash flows arising from Residensi Majestic Maxim.

Meanwhile, Ganggarak Permai, which is physically completed since the middle of the preceding financial year, is scheduled for delivery of vacant possession in the first half of the financial year under review, leaving behind a small percentage of completion to be recognised for Phases 3 and 4 of Ganggarak Permai.

Residensi Metro Kepong, the Group's affordable housing project located 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 its nature of development.

With the acquisition of additional land at strategic locations in the last few years, the Group is planning to launch the development of at least one of these newly acquired development land during the financial year under review. This envisaged launch will enable the Group to generate revenue, profits and cash flows to sustain the Group for the current financial year and onwards.

Meanwhile, the Group remains in a good position post COVID-19 movement controls with the backing of a respectable and healthy financial position cum liquidity, aided by the completion of

Mizumi Residences during the preceding financial year. The health and safety of the Group's employees are always a priority and the Group is pleased to inform that all its employees are fully vaccinated and the Group is committed to continue in exercising vigilance and agility with regards to COVID-19 and its impact. The COVID-19 outbreak ushered in new norms and transform how the Group works and conducts its businesses.

The Group has assessed the overall impact of the COVID-19 outbreak 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 for the financial year under review.

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 various stimulus packages introduced and coupled with the country in the endemic phase, 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 (3 months ended)	
	31/3/2022 RM'000	31/3/2021 RM'000	31/3/2022 RM'000	31/3/2021 RM'000
Malaysian income tax:				
- Current tax	1,539	6,040	1,539	6,040
Deferred tax	(942)	(3,235)	(942)	(3,235)
Total taxation	<u>597</u>	<u>2,805</u>	<u>597</u>	<u>2,805</u>

Included in the income tax figure for the quarter under review is 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

During the previous financial year ended 31 December 2020, the gross proceeds arising from the disposal of 100% equity interest in Pulau Indah Power Plant Sdn Bhd (“PIPP”) and Tadmax PMC Sdn Bhd (“TPMC”) amounted to RM173.2 million (“Disposal”). The utilisation of gross proceeds from the Disposal up to end of the quarter under review is set out below:-

<u>Details of Utilisation</u>	Total Gross Proceeds from Disposal (RM'000)	Actual Utilisation up to 31 March 2022 (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	7,702	748	Within 24 months
6) Estimated expenses in relation to the Proposal	20,300	20,300	-	Within 1 month
	173,200	88,065	85,135	

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

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 31/3/2022 RM'000	As at 31/3/2021 RM'000
(a) Current borrowings – secured		
Term loan	471	454
Lease liabilities	63	171
	<u>534</u>	<u>625</u>
(b) Non-current borrowings – secured		
Term loans	134,340	92,322
Lease liabilities	-	37
	<u>134,340</u>	<u>92,359</u>

All the Group’s borrowings are denominated in Malaysian currency and are secured. Term loans increased by RM42.0 million as compared to the preceding year corresponding quarter mainly due to

term loans facility drawdown totalling of RM78.9 million to part finance the acquisition of two pieces of leasehold land by the Company's subsidiaries, set off by the full settlement of the term loans for Group's Residensi Metro Kepong property development project in Taman Metropolitan, Kepong amounting to RM7.6 million together with the retirement/repayment of another term loan facility of RM29.3 million. The above loans bear interest rates ranged from 3.65% - 4.98% per annum.

Bank borrowings are expected to increase further as the Company's 51% owned subsidiary company, Prominent Maxim Sdn Bhd had entered into a sale and purchase agreement to acquire a piece of leasehold land, measuring 9,775 sq meter (approximately 2.415 acres) located at Prima Setapak, Kuala Lumpur for a total purchase consideration of RM25,700,000. The purchase of the aforesaid land is expected to be partly funded by a banking facility of RM20.6 million. The banking facility is expected to be drawn down in the second quarter of the financial year under review.

21. Trade Receivables

The trade receivables and corresponding ageing of the Group as at end of the quarter under review are as follows:-

	As at 31/3/2022 RM'000	As at 31/12/2021 RM'000	
Trade receivables	40,695	43,838	
Less: Allowance for Expected Credit Losses	(68)	(68)	
	40,627	43,770	
	As at 31/3/2022 RM'000	%	As at 31/12/2021 RM'000
Neither past due nor impaired	39,060	96.0%	40,749
Past due 31 to 60 days not impaired	47	0.1%	1,018
Past due 61 to 90 days not impaired	35	0.1%	49
Past due > 91 days not impaired	1,485	3.6%	1,954
Past due > 91 days impaired	68	0.2%	68
	40,695	100%	43,838

Trade receivables position improved with a reduction by 7% vis-à-vis the sum of RM43.8 million as at 31 December 2021 mainly due to lower unsettled progress billing issued to end-purchasers towards the end of the quarter under review amounted to RM2.1 million vis-à-vis RM3.2 million in December 2021. Included in the trade receivables is retention sum of RM37.0 million (2021: RM37.0 million) which will be released by the stakeholder to the Group in accordance with the timeline indicated in the sale and purchase agreements, where a portion on the expiry of eight months and the remainder on the expiry of twenty four months after the date of vacant possession.

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 sum and amounts due from 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 (2021: 30) calendar days and interest is charged on overdue accounts at 10% (2021: 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. On the latter, the Group concluded that the existing amount is sufficient as at the end of the quarter under review.

22. Financial Instruments

(a) Derivatives

There were no outstanding derivatives as at 31 March 2022.

(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 2022 except as disclosed herein.

23. Material Litigation

There was no other material litigation pending as at 20 May 2022 (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 ("PT TKU") and PT Manunggal Sukses Mandiri ("PT MSM") 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 which seeks the Boven Digoel Regency to repeal and nullify the decision on the revocation of licence, to comply and uphold the decision of the Ministry of Law and Human Rights, and to affirm that PT TKU and PT MSM are still the license holders and legal owners of the assets.

In a related matter, with reference to the Company's announcement of 24 February 2022 pertaining to the receipt of letters of revocation of concession license from the Ministry of Environment and Forestry, both PT TKU and PT MSM have on 20 April 2022 filed letters of clarification to the Ministry of Environment and Forestry of the Republic of Indonesia with the letters being copied to the President of the Republic of Indonesia. The letters of clarification sought the Ministry of Environment and Forestry of the Republic of Indonesia to reconsider the revocation of our Concession License considering that the inactivity and site abandonment were as a direct result of the Group's earlier attempts to commence activities was thwarted by the refusal of the Regency of Boven Digoel to issue the required licenses to commence business. The latter is now before the Supreme Court as elaborated in the immediate preceding paragraph.

In relation to the actions taken, the Group does not expect any material financial impact to the Group's earnings of the financial year under review nor any impact on the Group's core operational business of Property Development & Construction.

24. Dividend

No interim ordinary dividend has been declared or proposed for the financial period ended 31 March 2022 (31 March 2021: RM Nil).

25. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 31/3/2022	Cumulative Quarter 31/3/2022
Net Profit for the financial period attributable to equity holders of the Company (RM'000)	<u>363</u>	<u>363</u>
Weighted average number of ordinary shares issued (Unit'000)	<u>1,252,675</u>	<u>1,252,675</u>
Basic earnings per ordinary share (sen)	<u>0.03</u>	<u>0.03</u>

26. Additional Disclosures for Profit for the Financial Period

	Current Quarter 31/3/2022 RM'000	Cumulative Quarter 31/3/2022 RM'000
<i>Profit for the financial period is arrived at after crediting: -</i>		
Finance income	538	538
Rental income	25	25
Gain on unwinding discount of other receivable	<u>213</u>	<u>213</u>
<i>and after charging: -</i>		
Finance costs	39	39
Rental of premises	40	40
Rental of equipment	3	3
Depreciation of property, plant and equipment	<u>147</u>	<u>147</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 quarter under review.

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 passed on 26 May 2022.

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