

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30-6-2022	30-6-2021	30-6-2022	30-6-2021
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	43,728	101,283	85,675	234,829
Cost of sales	(40,582)	(90,639)	(79,497)	(209,248)
Gross profit	3,146	10,644	6,178	25,581
Other operating income	775	12,583	1,124	13,073
Operating expenses	(2,922)	(6,120)	(5,925)	(9,604)
Operating profit	999	17,107	1,377	29,050
Finance income	501	448	1,039	963
Finance costs	(238)	(120)	(277)	(278)
Profit before taxation	1,262	17,435	2,139	29,735
Taxation	(783)	(5,790)	(1,380)	(8,595)
Net profit for the financial period	479	11,645	759	21,140
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	(19)	(25)	55	52
Total comprehensive income for the financial period	460	11,620	814	21,192
Net profit/(loss) attributable to :				
Owners of the Company	849	12,116	1,212	21,645
Non-controlling interests	(370)	(471)	(453)	(505)
	479	11,645	759	21,140
Total comprehensive income/(loss) attributable to :				
Owners of the Company	830	12,091	1,267	21,697
Non-controlling interests	(370)	(471)	(453)	(505)
	460	11,620	814	21,192
Basic earnings per ordinary share (sen)				
- from continuing operations	0.07	0.97	0.10	1.73
- from discontinued operations	-	-	-	-
	0.07	0.97	0.10	1.73

(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 30 JUNE 2022

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Year Ended	Year Ended
	30-6-2022	31-12-2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,355	12,268
Other investment	77	77
Inventories - property development costs	8,232	7,960
Deferred tax assets	481	284
Other receivables	52,494	52,015
	73,639	72,604
Current assets		
Inventories - completed properties	-	292
Inventories - property development costs	364,444	365,287
Trade receivables	21,285	43,770
Contract assets	212,875	237,721
Other receivables, deposits and prepayments	17,595	9,999
Short-term investments	122,373	113,072
Tax recoverable	5,662	4,651
Deposits with licensed banks	49	82
Cash and bank balances	56,083	39,491
	800,366	814,365
TOTAL ASSETS	874,005	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	1,387	1,332
Accumulated losses	(8,999)	(10,211)
Shareholders' funds	445,329	444,062
Non-controlling interests	19,057	2,350
TOTAL EQUITY	464,386	446,412

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022 - continued

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Year Ended	Year Ended
	30-6-2022	31-12-2021
	RM'000	RM'000
Non-current liabilities		
Other payables	844	16,873
Deferred tax liabilities	8,724	10,561
Lease liabilities	-	11
Bank borrowings	143,304	126,275
	152,872	153,720
Current liabilities		
Trade payables	59,436	85,608
Other payables, deposits and accruals	178,059	181,237
Amount due to directors	10,106	8,378
Lease liabilities	40	100
Bank borrowings	475	466
Tax payable	8,631	11,048
	256,747	286,837
TOTAL LIABILITIES	409,619	440,557
TOTAL EQUITY AND LIABILITIES	874,005	886,969
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	35.6	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 30 JUNE 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	Non-Distributable Share Option Reserve RM'000	Other Reserves RM'000	Distributable Accumulated Losses RM'000			
6 months ended 30 June 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	-	-	-	-	1,212	1,212	(453)	759
Realisation of foreign exchange translation reserve	-	-	-	55	-	55	-	55
Total comprehensive income/(loss) for the financial period	-	-	-	55	1,212	1,267	(453)	814
Subscription of shares by non-controlling interests	-	-	-	-	-	-	17,160	17,160
As at 30 June 2022	452,510	(155)	586	1,387	(8,999)	445,329	19,057	464,386
6 months ended 30 June 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	-	-	-	-	21,645	21,645	(505)	21,140
Realisation of foreign exchange translation reserve	-	-	-	52	-	52	-	52
Total comprehensive income/(loss) for the financial period	-	-	-	52	21,645	21,697	(505)	21,192
Subscription of shares by non-controlling interests	-	-	-	-	-	-	288	288
As at 30 June 2021	452,510	(155)	528	1,585	(4,177)	450,291	2,032	452,323

(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 30 JUNE 2022
(The figures have not been audited)

	6 months ended	
	30-6-2022	30-6-2021
	RM'000	RM'000
		(RESTATED)
OPERATING ACTIVITIES		
Profit before taxation	2,139	29,735
<u>Adjustments for:-</u>		
Depreciation	300	360
Finance cost	277	278
Finance income	(1,039)	(963)
Gain on dilution of interests in subsidiary companies	-	(4)
Gain on unwinding discount on other receivable	(428)	(490)
Operating profit before working capital changes	1,249	28,916
<u>Changes in working capital:</u>		
Inventories	292	-
Contract assets	24,511	(61,352)
Inventories - property development costs	3,462	(27,663)
Receivables	14,889	60,036
Payables	(40,365)	(14,751)
Cash generated from/(used in) operations	4,038	(14,814)
Finance income received	988	914
Finance cost paid	(3,168)	(2,369)
Tax paid (net)	(6,842)	(13,505)
Net cash used in operating activities	(4,984)	(29,774)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(387)	(86)
Proceeds from disposal of property, plant and equipment	-	3
Withdrawal/(Placement) of deposits pledged with licensed banks	33	(95)
Net cash used in investing activities	(354)	(178)
FINANCING ACTIVITIES		
Repayment to Directors	(2,950)	(6,353)
Drawn down of bank borrowings	17,268	75,975
Repayment of bank borrowings	(231)	(12,670)
Repayment of lease liabilities	(70)	(65)
Issuance of shares to non-controlling interests	17,160	292
Net cash from financing activities	31,177	57,179
NET CHANGES IN CASH AND CASH EQUIVALENTS	25,839	27,227
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	54	52
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	152,563	112,674
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	178,456	139,953
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	49	1,412
Short-term investments	122,373	82,790
Cash and bank balances	56,083	57,163
	178,505	141,365
Less: Deposits with licensed banks pledged as securities for banking facilities	(49)	(1,412)
	178,456	139,953
	-	-

(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 30 June 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 30 June 2022 (30 June 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 6 months ended			
	30/6/2022		30/6/2021		30/6/2022		30/6/2021	
	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	43,728	240	101,283	7,898	85,675	2,041	234,821	20,540
• Industrial supplies	-	(25)	-	(27)	-	(52)	8	(66)
• Investment holding	-	816	-	9,267	-	(541)	-	8,645
• Others	-	(32)	-	(31)	-	(71)	-	(69)
	43,728	999	101,283	17,107	85,675	1,377	234,829	29,050
Finance income	-	501	-	448	-	1,039	-	963
Finance costs	-	(238)	-	(120)	-	(277)	-	(278)
	43,728	1,262	101,283	17,435	85,675	2,139	234,829	29,735

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		Incl/(Dec)	Preceding Quarter	Incl/(Dec)	Cumulative Quarter		Incl/(Dec)
	30/6/2022	30/6/2021				30/6/2022	30/6/2021	
Revenue			%	31/3/2022	%			%
• Property	43,728	101,283	-57%	41,947	4%	85,675	234,821	-64%
• Industrial supplies	-	-	0%	-	0%	-	8	-100%
	43,728	101,283	-57%	41,947	4%	85,675	234,829	-64%
Profit before tax								
Continuing Operations								
• Property	240	7,898	-97%	1,801	-87%	2,041	20,540	-90%
• Industrial supplies	(25)	(27)	-7%	(27)	-7%	(52)	(66)	-21%
• Investment holding	816	9,267	-91%	(1,357)	-160%	(541)	8,645	-106%
• Others	(32)	(31)	3%	(39)	-18%	(71)	(69)	3%
	999	17,107	-94%	378	164%	1,377	29,050	-95%
Finance income	501	448	12%	538	-7%	1,039	963	8%
Finance costs	(238)	(120)	98%	(39)	510%	(277)	(278)	0%
	1,262	17,435	-93%	877	44%	2,139	29,735	-93%

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

a) Overall Review of Group's performance

A lower revenue by 57% in the quarter under review vis-à-vis the preceding year corresponding quarter was mainly attributable to the lower percentage completion registered by 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) and the expenditure incurred prior to the launching of the new property development project, Residensi Maxim Risen (“Maxim Risen”), at Taman Desa Aman, Cheras, Kuala Lumpur in July 2022, the Group registered a lower profit before interest and tax for the quarter under review of RM1.0 million, a decline of 79% vis-à-vis profit before interest and tax of RM4.8 million which exclude the recovery of capital gain tax of RM12.3 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	RM684,236	RM296,740	RM793,551
Unbilled sales ('000)	RM354	RM0	RM52,575	RM61,712
Percentage completion (cumulative)	Phase 3 – 100% (June 2021: 92.2%) Phase 4 – 97.5% (June 2021: 94.5%)	100.0% (since September 2021) (June 2021: 98.1%)	82.3% (June 2021: 51.3%)	92.2% (June 2021: 79.5%)
Operating (loss)/profit for the quarter ('000)	(RM856) 2021: (RM543)	RM602 2021: RM6,197		RM1,404 2021: RM3,313

Ganggarak Permai's phases 3 and 4, both recorded an operating loss of RM0.9 million for the quarter under review vis-à-vis operating loss of RM0.5 million in the preceding year corresponding quarter due to additional handover cost incurred for phase 3, upward revision in development cost which was not budgeted for and accruals made for the payment of liquidated ascertained damages to end purchasers. Immediately after the quarter under review, on 5 July 2022, phase 3 received its certificate of fitness ("CF") and handing over of vacant possession to end purchasers ensued. However, the CF for phase 4 was pending rectification works and handling over envisaged in the third quarter of the financial year under review.

Residensi Metro Kepong, as reported previously, 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 82.3% as at the end of the quarter under review whilst the quarter under review attained lower percentage of completion at 7.1% vis-à-vis Q2 2021 at 12.1%. The delivery of vacant possession is ahead of its contractual delivery term and is envisaged sometime in the second 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, 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 92.2% 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 attainment of a lower percentage of completion registering at 2.7% (Q2 2021: 5.9%) attributable to its advance stage of completion. Consequently, the project reported an operating profit of RM1.4 million, net of the adjustment made for the amortisation of property development cost at Group level amounting to RM3.6 million.

Review on Performance - Quarter under review compared to Preceding Quarter

The Group's revenue for the quarter under review registered at RM43.7 million or 4% higher than the preceding quarter mainly due to higher revenue posted by Residensi Metro Kepong in the quarter under review of RM21.1 million vis-à-vis the preceding quarter of RM19.8 million. The Group's profit before interest and tax was higher at RM1.0 million vis-à-vis RM0.4 million in the preceding quarter, mainly due to fair value gain on short-term investment and management fee income from investment holding segment, totalling RM2.2 million, mitigated by lower operating profit of the property segment of RM1.56 million in the current quarter under review.

16. Prospects

The transition of COVID-19 to endemic phase followed by the reopening of Malaysia borders on 1st April 2022 have paved way towards a positive growth momentum on the Malaysian economy and hence positively spurred the property sector. This is 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.

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 causing inflation as oil, gas and food prices rose 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. In containing inflation, during the year up to the date of this report, the overnight policy rate in Malaysia has increased by 50 basis point to 2.25%, resulting in higher cost of borrowings.

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.

Residensi Metro Kepong, the Group's affordable housing project located in Taman Metropolitan, Kepong will contribute revenue to the Group at least until second 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 had in early July 2022 launched a property development project, Residensi Maxim Risen ("Maxim Risen") located at Taman Desa Aman, Cheras, Kuala Lumpur. Maxim Risen is an Apartment Suite, sitting on a leasehold land size of 2.60 acres. Maxim Risen consists of two (2) blocks, Tower A (54-storeys) and Tower B (47-storeys) with a total of 1,236 units altogether. The launched has registered encouraging responses where up to the date of this report, approximately 86% of the available units have been taken up. Maxim Risen with gross development value of approximately RM562 million is expected to contribute positively to the revenue and earnings of the Group for the current financial year and onwards.

In addition, the Group targets to launch an affordable housing development in the Klang Valley in the fourth quarter of the current financial year. This is part of the Group's sustainability initiatives in assisting everyone in owning a home.

Overall, 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 the relatively 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 (6 months ended)	
	30/6/2022 RM'000	30/6/2021 RM'000	30/6/2022 RM'000	30/6/2021 RM'000
Malaysian income tax:				
- Current tax	1,874	4,566	3,413	10,606
- Under provision in prior year	-	3,684	-	3,684
	<u>1,874</u>	<u>8,250</u>	<u>3,413</u>	<u>14,290</u>
Deferred tax	(1,091)	(2,460)	(2,033)	(5,695)
Total taxation	<u>783</u>	<u>5,790</u>	<u>1,380</u>	<u>8,595</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 AnnouncedStatus 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 30 June 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	8,450	-	Within 24 months
6) Estimated expenses in relation to the Proposal	20,300	20,300	-	Within 1 month
	173,200	88,813	84,387	

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 30/6/2022 RM'000	As at 30/6/2021 RM'000
(a) Current borrowings – secured		
Term loan	475	458
Lease liabilities	40	158
	<u>515</u>	<u>616</u>
(b) Non-current borrowings – secured		
Term loans	143,304	92,705
Bridging loan	-	4,100
Lease liabilities	-	31
	<u>143,304</u>	<u>96,836</u>

All the Group's borrowings are denominated in Malaysian currency and are secured. Total loans increased by RM46.4 million as compared to the preceding year corresponding quarter mainly due to term loans facility drawdown totalling of RM88.0 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 RM11.7 million together with the retirement/repayment of another term loan facility of RM29.3 million. The above loans bear interest rates ranged from 3.90% - 5.23% 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 third 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 30/6/2022 RM'000	As at 31/12/2021 RM'000		As at 30/6/2022 RM'000	%	As at 31/12/2021 RM'000
Trade receivables	21,353	43,838		20,031	93.8%	40,749
Less: Allowance for Expected Credit Losses	(68)	(68)		-	0.0%	1,018
	<u>21,285</u>	<u>43,770</u>		150	0.7%	49
				1,104	5.2%	1,954
				68	0.3%	68
	<u>21,353</u>	<u>43,838</u>		<u>21,353</u>	<u>100%</u>	<u>43,838</u>

Trade receivables position improved with a reduction by 51.3% 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 RM1.5 million vis-à-vis RM3.2 million in December 2021. Further aided by the reduction in retention sum by RM18.5 million included in the trade receivables of RM18.5 million (2021: RM37.0 million) which was released by the stakeholder to the Group in accordance with the timeline indicated in the sale and purchase agreements. The above remainder retention sum will be released upon 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 30 June 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 30 June 2022 except as disclosed herein.

23. Material Litigation

There was no other material litigation pending as at 19 August 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. On 19 July 2022, PT TKU and PT MSM were advised by its Solicitors that the Supreme Court had rejected the Judicial Review Petition. PT TKU and PT MSM are now evaluating on the available course of action to be taken with the advice of its Solicitors in the Republic of Indonesia and will make further announcements on any material development regarding this matter in due course.

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 was then before the Supreme Court as elaborated in the immediate preceding paragraph. As at present, the Group has yet to receive any decision from the Ministry of Environment and Forestry.

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

The Board of Directors has declared an interim single-tier dividend in respect of the financial year ending 31 December 2022 of 1.0 sen (31 December 2021: 1.0 sen) 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.

25. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 30/6/2022	Cumulative Quarter 30/6/2022
Net Profit for the financial period attributable to equity holders of the Company (RM'000)	849	1,212
Weighted average number of ordinary shares issued (Unit'000)	1,252,675	1,252,675
Basic earnings per ordinary share (sen)	0.07	0.10

26. Additional Disclosures for Profit for the Financial Period

	Current Quarter 30/6/2022 RM'000	Cumulative Quarter 30/6/2022 RM'000
<i>Profit for the financial period is arrived at after crediting: -</i>		
Finance income	501	1,039
Rental income	25	50
Gain on unwinding discount of other receivable	215	428
Fair value gain on short term investments	371	506
<i>and after charging: -</i>		
Finance costs	238	277
Rental of premises	40	80
Rental of equipment	3	6
Depreciation of property, plant and equipment	153	300

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 25 August 2022.

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