

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

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30-9-2022	30-9-2021	30-9-2022	30-9-2021
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	62,435	71,072	148,110	305,901
Cost of sales	<u>(53,048)</u>	<u>(62,354)</u>	<u>(132,545)</u>	<u>(271,602)</u>
Gross profit	9,387	8,718	15,565	34,299
Other operating income	856	356	1,980	13,429
Operating expenses	<u>(2,824)</u>	<u>(2,978)</u>	<u>(8,749)</u>	<u>(12,582)</u>
Operating profit	7,419	6,096	8,796	35,146
Finance income	212	398	1,251	1,361
Finance costs	<u>(653)</u>	<u>(254)</u>	<u>(930)</u>	<u>(532)</u>
Profit before taxation	6,978	6,240	9,117	35,975
Taxation	<u>(2,231)</u>	<u>(1,426)</u>	<u>(3,611)</u>	<u>(10,021)</u>
Net profit for the financial period	<u>4,747</u>	<u>4,814</u>	<u>5,506</u>	<u>25,954</u>
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	(158)	(210)	(103)	(158)
Total comprehensive income for the financial period	<u>4,589</u>	<u>4,604</u>	<u>5,403</u>	<u>25,796</u>
Net profit/(loss) attributable to :				
Owners of the Company	2,973	4,904	4,185	26,549
Non-controlling interests	1,774	(90)	1,321	(595)
	<u>4,747</u>	<u>4,814</u>	<u>5,506</u>	<u>25,954</u>
Total comprehensive income/(loss) attributable to :				
Owners of the Company	2,815	4,694	4,082	26,391
Non-controlling interests	1,774	(90)	1,321	(595)
	<u>4,589</u>	<u>4,604</u>	<u>5,403</u>	<u>25,796</u>
Basic earnings per ordinary share (sen)				
- from continuing operations	0.24	0.39	0.33	2.12
- from discontinued operations	-	-	-	-
	<u>0.24</u>	<u>0.39</u>	<u>0.33</u>	<u>2.12</u>

(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 SEPTEMBER 2022

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Period Ended	Year Ended
	30-9-2022	31-12-2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,007	12,268
Other investment	77	77
Inventories - property development costs	8,232	7,960
Deferred tax assets	7,188	284
Other receivables	52,735	52,015
	80,239	72,604
Current assets		
Inventories - completed properties	-	292
Inventories - property development costs	381,971	365,287
Trade receivables	22,642	43,770
Contract assets	252,719	237,721
Other receivables, deposits and prepayments	14,822	9,999
Short-term investments	103,717	113,072
Tax recoverable	4	4,651
Deposits with licensed banks	149	82
Cash and bank balances	27,859	39,491
	803,883	814,365
TOTAL ASSETS	884,122	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	1,229	1,332
Accumulated losses	(6,026)	(10,211)
Shareholders' funds	448,144	444,062
Non-controlling interests	24,016	2,350
TOTAL EQUITY	472,160	446,412

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

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Period Ended	Year Ended
	30-9-2022	31-12-2021
	RM'000	RM'000
Non-current liabilities		
Other payables	-	16,873
Deferred tax liabilities	8,075	10,561
Lease liabilities	-	11
Bank borrowings	160,904	126,275
	168,979	153,720
Current liabilities		
Trade payables	66,706	85,608
Other payables, deposits and accruals	167,585	181,237
Amount due to directors	3,856	8,378
Lease liabilities	-	100
Bank borrowings	279	466
Tax payable	4,557	11,048
	242,983	286,837
TOTAL LIABILITIES	411,962	440,557
TOTAL EQUITY AND LIABILITIES	884,122	886,969
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	35.8	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 SEPTEMBER 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) /Retained Profits RM'000			
9 months ended 30 September 2022								
As at 1 January 2022	452,510	(155)	586	1,332	(10,211)	444,062	2,350	446,412
Net profit for the financial period	-	-	-	-	4,185	4,185	1,321	5,506
Realisation of foreign exchange translation reserve	-	-	-	(103)	-	(103)	-	(103)
Total comprehensive income/(loss) for the financial period	-	-	-	(103)	4,185	4,082	1,321	5,403
Subscription of shares by non-controlling interests	-	-	-	-	-	-	20,345	20,345
As at 30 September 2022	452,510	(155)	586	1,229	(6,026)	448,144	24,016	472,160
9 months ended 30 September 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	-	-	-	-	26,549	26,549	(595)	25,954
Realisation of foreign exchange translation reserve	-	-	-	(158)	-	(158)	-	(158)
Total comprehensive income/(loss) for the financial period	-	-	-	(158)	26,549	26,391	(595)	25,796
Subscription of shares by non-controlling interests	-	-	-	-	-	-	761	761
As at 30 September 2021	452,510	(155)	528	1,375	727	454,985	2,415	457,400

(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 SEPTEMBER 2022
(The figures have not been audited)

	9 months ended	
	30-9-2022	30-9-2021
	RM'000	RM'000
		(RESTATED)
OPERATING ACTIVITIES		
Profit before taxation	9,117	35,975
<u>Adjustments for:-</u>		
Depreciation	457	516
Finance cost	930	532
Finance income	(1,251)	(1,361)
Gain on dilution of interests in subsidiary companies	-	(6)
Gain on unwinding discount on other receivable	(643)	(701)
Loss/(Gain) on disposal of property, plant and equipment	27	(7)
Property, plant and equipment written off	1	-
Operating profit before working capital changes	8,638	34,948
<u>Changes in working capital:</u>		
Inventories	292	-
Contract assets	(15,333)	76,127
Inventories - property development costs	(12,792)	(64,623)
Receivables	16,305	5,034
Payables	(45,464)	(8,884)
Cash (used in)/generated from operations	(48,354)	42,602
Finance income received	1,174	1,286
Finance cost paid	(5,094)	(3,730)
Tax paid (net)	(14,838)	(21,429)
Net cash (used in)/from operating activities	(67,112)	18,729
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(395)	(89)
Proceeds from disposal of property, plant and equipment	171	10
Placement of deposits pledged with licensed banks	(67)	(95)
Net cash used in investing activities	(291)	(174)
FINANCING ACTIVITIES		
Repayment to Directors	(8,150)	(6,353)
Drawn down of bank borrowings	38,316	123,235
Repayment of bank borrowings	(3,874)	(16,978)
Repayment of lease liabilities	(111)	(96)
Issuance of shares to non-controlling interests	20,345	767
Net cash from financing activities	46,526	100,575
NET CHANGES IN CASH AND CASH EQUIVALENTS	(20,877)	119,130
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(110)	(165)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	152,563	112,674
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	131,576	231,639
 Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	149	1,412
Short-term investments	103,717	59,250
Cash and bank balances	27,859	172,389
	131,725	233,051
Less: Deposits with licensed banks pledged as securities for banking facilities	(149)	(1,412)
	131,576	231,639
	-	-

(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 September 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

The Board of Directors has on 25 August 2022 declared a first interim single-tier dividend of 1.0 sen per ordinary share (2021: 1.0 sen per ordinary share) on the 1,252,674,847 ordinary shares amounting to RM12.53 million for the financial year ending 31 December 2022. The dividend has been paid on 18 November 2022 (due to the declared public holidays, may expect to receive on 21 November 2022 or the next working day or trading day of Bursa Malaysia Securities Berhad) to shareholders whose names appeared in the Record of Depositors on 11 November 2022.

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			
	30/9/2022		30/9/2021		30/9/2022		30/9/2021	
	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	62,435	7,396	71,072	4,341	148,110	9,437	305,893	24,881
• Industrial supplies	-	(26)	-	(20)	-	(78)	8	(86)
• Investment holding	-	81	-	1,807	-	(460)	-	10,452
• Others	-	(32)	-	(32)	-	(103)	-	(101)
	62,435	7,419	71,072	6,096	148,110	8,796	305,901	35,146
Finance income	-	212	-	398	-	1,251	-	1,361
Finance costs	-	(653)	-	(254)	-	(930)	-	(532)
	62,435	6,978	71,072	6,240	148,110	9,117	305,901	35,975

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 were no material authorised capital and other commitments not provided for in the interim financial statements as at 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) %
	30/9/2022	30/9/2021				30/9/2022	30/9/2021	
Revenue								
• Property	62,435	71,072	-12%	43,728	43%	148,110	305,893	-52%
• Industrial supplies	-	-	0%	-	0%	-	8	-100%
	62,435	71,072	-12%	43,728	43%	148,110	305,901	-52%
Profit before tax								
Continuing Operations								
• Property	7,396	4,341	70%	240	2982%	9,437	24,881	-62%
• Industrial supplies	(26)	(20)	30%	(25)	4%	(78)	(86)	-9%
• Investment holding	81	1,807	-96%	816	-90%	(460)	10,452	-104%
• Others	(32)	(32)	0%	(32)	0%	(103)	(101)	2%
	7,419	6,096	22%	999	643%	8,796	35,146	-75%
Finance income	212	398	-47%	501	-58%	1,251	1,361	-8%
Finance costs	(653)	(254)	157%	(238)	174%	(930)	(532)	75%
	6,978	6,240	12%	1,262	453%	9,117	35,975	-75%

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

a) Overall Review of Group's performance

A lower revenue by 12% 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. The maiden revenue reported by Residensi Maxim Risen, the Group's new property development project at Taman Desa Aman, Cheras, Kuala Lumpur, launched in July 2022 mitigated the lower revenue. Further, the quarter under review no longer register any revenue from Mizumi Residences (2021 : RM12.8 million) 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.

The launched of Residensi Maxim Risen during the quarter under review elevated the Group's overall gross margin and led to an improved profit before interest and tax for the quarter under review of RM7.4 million, an increase of 22% vis-à-vis profit before interest and tax of RM6.1 million reported in the preceding year corresponding quarter.

b) Segmental Review

- **Property**

This business segment presently comprised four (4) property development projects, namely, Ganggarak Permai in Ganggarak, Labuan FT, Residensi Metro Kepong in Taman Metropolitan, Kepong, Kuala Lumpur, Residensi Majestic Maxim in Alam Damai, Cheras, Kuala Lumpur and Residensi Maxim Risen in Taman Desa Aman, 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>	<u>Taman Desa Aman, Cheras</u>
Name of projects	Ganggarak Permai	Mizumi Residences	Residensi Metro Kepong	Residensi Majestic Maxim	Residensi Maxim Risen
Net property sales ('000)	RM73,575	RM684,236	RM296,740	RM793,551	RM260,411
Unbilled sales ('000)	RM316	RM0	RM26,413	RM46,557	RM239,337
Percentage completion (cumulative)	Phase 3 – 100% (handover vacant possession in Aug 2022) (September 2021: 95.0%) Phase 4 – 97.8% (September 2021: 96.2%)	100.0% (handover vacant possession in September 2021)	91.1% (September 2021: 62.1%)	94.1% (September 2021: 82.4%)	8.1% (September 2021: Not applicable as project launched in July 2022)
Operating (loss)/profit for the quarter ('000)	(RM326) 2021: (RM2,525)	RM1,194 2021: RM5,567		RM737 2021: RM1,614	RM6,025 2021: Not applicable

Ganggarak Permai's phases 3 and 4, both recorded an operating loss of RM0.3 million for the quarter under review vis-à-vis operating loss of RM2.5 million in the preceding year corresponding quarter, the latter mainly due to both, the additional cost incurred in adhering to the requirements imposed by local authorities and the accruals for tax penalties of RM2.2 million arising from prior financial years' taxation. During the quarter under review, phase 3 received its certificate of fitness ("CF") and handed over of vacant possession to end purchasers ensued. However, the CF for phase 4 was subjected to rectification works and CF was secured on 1 November 2022.

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 91.1% as at the end of the quarter under review whilst the quarter under review attained lower percentage of completion at 8.8% vis-à-vis Q3 2021 at 10.8%. 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, during the quarter under review, **Residensi Majestic Maxim** was working towards procuring the issuance of certificate of completion and compliance to enable the delivering vacant possession to end purchasers, envisaged in the fourth 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 94.1% 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 1.9% (Q3 2021: 2.9%) attributable to its advance stage of completion. Consequently, the project reported a low operating profit of RM0.7 million, net of the adjustment made for the amortisation of property development cost at Group level amounting to RM2.7 million.

Residensi Maxim Risen, an Apartment Suite development project, sitting on a leasehold land size of 2.60 acres, located at Taman Desa Aman, Cheras, Kuala Lumpur where the gross development value is approximately RM562 million was the main contributor to the Group's operating profit during the quarter under review. It consists of two (2) blocks, Tower A (54-storeys) and Tower B (47-storeys) with a combined total of 1,236 units and launched in July 2022. Residensi Maxim Risen registered a satisfactory take-up rate where the total sold and booked units registered at approximately 87.3% out of total available 1,236 units. The development of this project has attained approximately 80% completion of the piling work whilst the cumulative percentage of completion was at 8.1% as at the end of the quarter under review.

Review on Performance - Quarter under review compared to Preceding Quarter

The Group's revenue for the quarter under review registered at RM62.4 million or 43% higher than the preceding quarter mainly due to maiden revenue contribution of RM21.1 million by Residensi Maxim Risen, a new property development project launched in the quarter under review. Further, Residensi Metro Kepong posted a higher revenue in the quarter under review of RM26.2 million vis-à-vis the preceding quarter of RM21.1 million. Both the foregoing mentioned projects were the main contributors towards the Group's higher profit before interest and tax at RM7.4 million vis-à-vis RM1.0 million in the preceding quarter.

16. Prospects

The reopening of international borders on 1st April 2022 and the full resumption of economics activities have paved the way towards a positive growth momentum on the Malaysian economy and positively spurred the property market.

This improved sentiment was however met with headwinds from rising global inflationary pressure which led to the increase in the building materials and in turn translated to higher construction cost. This was further augmented by higher cost of borrowings due to the tightening monetary policies which resulted in rising interest rates where up to the date of this report, the overnight policy rate in Malaysia has increased by 100 basis point to 2.75%.

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 fourth 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. The launch has registered encouraging responses where up to the date of this report, approximately 87% 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 forthcoming 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 and in anticipation of positive measures to be offered under Budget 2023 in spurring the property sector, the Group endeavours to partly leverage on 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. Further, driven by fundamental market dynamics, supported by the relatively low interest rate regime and the abundant market liquidity, 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)	
	30/9/2022 RM'000	30/9/2021 RM'000	30/9/2022 RM'000	30/9/2021 RM'000
Malaysian income tax:				
- Current tax	2,446	2,882	5,859	13,488
- Under/(Over) provision in prior year	7,135	(166)	7,135	3,518
	<u>9,581</u>	<u>2,716</u>	<u>12,994</u>	<u>17,006</u>
Deferred tax	<u>(7,350)</u>	<u>(1,290)</u>	<u>(9,383)</u>	<u>(6,985)</u>
Total taxation	<u>2,231</u>	<u>1,426</u>	<u>3,611</u>	<u>10,021</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 Proposals

Status of Corporate Proposals Announced

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 30 Sep 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	33,631	79,369	-
5) Working capital purposes	8,450	8,450	-	Within 24 months
6) Estimated expenses in relation to the Proposal Disposal	20,300	20,300	-	Within 1 month
	173,200	91,192	82,008	

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

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/9/2022 RM'000	As at 30/9/2021 RM'000
(a) Current borrowings – secured		
Term loan	279	3,856
Bridging loan	-	11,360
Lease liabilities	-	131
	<u>279</u>	<u>15,347</u>
(b) Non-current borrowings – secured		
Term loans	160,904	124,999
Lease liabilities	-	26
	<u>160,904</u>	<u>125,025</u>

All the Group’s borrowings are denominated in Malaysian currency and are secured. Total loans increased by RM20.8 million as compared to the preceding year corresponding quarter mainly due to

term loans facility drawdown totalling of RM69.0 million to part finance the acquisition of two pieces of leasehold land and part finance the property development costs 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 RM14.8 million together with the retirement/repayment of a term loan facility of RM29.3 million and part repayment of another term loan facility by RM3.5 million. The above loans bear interest rates ranged from 4.40% - 5.67% per annum.

Bank borrowings are expected to increase the following quarter of the financial year under review with the progress of development of the Group's Residensi Maxim Risen project.

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 30/9/2022 RM'000	As at 31/12/2021 RM'000	
Trade receivables	22,710	43,838	
Less : Allowance for Expected Credit Losses	(68)	(68)	
	<u>22,642</u>	<u>43,770</u>	
	As at 30/9/2022 RM'000	%	As at 31/12/2021 RM'000
Neither past due nor impaired	21,537	94.8%	40,749
Past due 31 to 60 days not impaired	103	0.5%	1,018
Past due 61 to 90 days not impaired	89	0.4%	49
Past due > 91 days not impaired	913	4.0%	1,954
Past due > 91 days impaired	68	0.3%	68
	<u>22,710</u>	<u>100%</u>	<u>43,838</u>

Trade receivables position improved with a reduction by 48.3% vis-à-vis the sum of RM43.8 million as at 31 December 2021 mainly due to higher collection from end-purchasers and lower unsettled progress billing issued to end-purchasers towards the end of the quarter under review amounted to RM0.1 million vis-à-vis RM3.2 million in December 2021. Further aided by the reduction in retention sum by RM15.6 million included in the trade receivables amounting to RM21.4 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 retention sum is held and will be released in due time pursuant to the Housing Development (Control and Licensing) Act, 1966.

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

The trade receivables (except for the retention 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 September 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 September 2022 except as disclosed herein.

23. Material Litigation

There was no other material litigation pending as at 18 November 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.

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

(a) The Board of Directors has on 25 August 2022 declared a first interim single-tier dividend in respect of the financial year ending 31 December 2022:

Amount per ordinary share	:	1.0 sen single-tier dividend
Entitlement to dividend based on record of depositors as at	:	11 November 2022
Payment date	:	18 November 2022 #
# - due to the declared public holidays, may expect to receive on 21 November 2022 or the next working day or trading day of Bursa Malaysia Securities Berhad.		

(b) Total dividend declared for the current financial period: 1.0 sen single-tier dividend (2021: 1.0 sen single-tier dividend).

25. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 30/9/2022	Cumulative Quarter 30/9/2022
Net Profit for the financial period attributable to equity holders of the Company (RM'000)	<u>2,973</u>	<u>4,185</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>0.24</u>	<u>0.33</u>

26. Additional Disclosures for Profit for the Financial Period

	Current Quarter 30/9/2022 RM'000	Cumulative Quarter 30/9/2022 RM'000
<i>Profit for the financial period is arrived at after crediting: -</i>		
Finance income	212	1,251
Rental income	25	75
Gain on unwinding discount of other receivable	215	643
Fair value gain on short term investments	<u>592</u>	<u>1,098</u>
<i>and after charging: -</i>		
Finance costs	653	930
Rental of premises	33	113
Rental of equipment	3	9
Depreciation of property, plant and equipment	157	457
Loss on disposal of property, plant and equipment	27	27
Property, plant and equipment written off	<u>1</u>	<u>1</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 24 November 2022.