

**MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	17,817	43,728	40,291	85,675
Cost of sales	<u>(14,722)</u>	<u>(40,582)</u>	<u>(32,388)</u>	<u>(79,497)</u>
Gross profit	3,095	3,146	7,903	6,178
Other operating income	3,632	775	4,690	1,124
Operating expenses	<u>(3,737)</u>	<u>(2,922)</u>	<u>(7,042)</u>	<u>(5,925)</u>
<b>Operating profit</b>	2,990	999	5,551	1,377
Finance income	1,335	501	3,552	1,039
Finance costs	<u>(668)</u>	<u>(238)</u>	<u>(1,504)</u>	<u>(277)</u>
<b>Profit before taxation</b>	3,657	1,262	7,599	2,139
Taxation	2,923	(783)	1,554	(1,380)
<b>Net profit for the financial period</b>	<u>6,580</u>	<u>479</u>	<u>9,153</u>	<u>759</u>
<b>Other comprehensive income/(loss), net of tax</b>				
<b>Items that will be reclassified subsequently to profit or loss, net of tax</b>				
- Foreign currency translation	(350)	(19)	(635)	55
<b>Total comprehensive income for the financial period</b>	<u>6,230</u>	<u>460</u>	<u>8,518</u>	<u>814</u>
<b>Net profit attributable to :</b>				
Owners of the Company	6,341	849	8,100	1,212
Non-controlling interests	239	(370)	1,053	(453)
	<u>6,580</u>	<u>479</u>	<u>9,153</u>	<u>759</u>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	5,991	830	7,465	1,267
Non-controlling interests	239	(370)	1,053	(453)
	<u>6,230</u>	<u>460</u>	<u>8,518</u>	<u>814</u>
Basic earnings per ordinary share (sen)				
- from continuing operations	0.51	0.07	0.65	0.10
- from discontinued operations	-	-	-	-
	<u>0.51</u>	<u>0.07</u>	<u>0.65</u>	<u>0.10</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As At</b>	<b>As At</b>
	<b>Financial</b>	<b>Financial</b>
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>30-06-2023</b>	<b>31-12-2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,567	12,686
Other investment	68	68
Inventories - property development costs	8,042	8,042
Deferred tax assets	726	734
Other receivables	6,815	6,753
	28,218	28,283
<b>Current assets</b>		
Inventories - completed properties	1,283	-
Inventories - property development costs	240,415	244,500
Trade receivables	82,083	67,063
Contract assets	24,246	102,624
Other receivables, deposits and prepayments	58,856	76,889
Short-term investments	240,622	106,247
Tax recoverable	2,032	3
Deposits with licensed banks	149	100,149
Cash and bank balances	39,601	28,419
	689,287	725,894
<b>TOTAL ASSETS</b>	<b>717,505</b>	<b>754,177</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	452,510	452,510
Share option reserve	645	645
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,229	1,864
Retained earnings	18,673	10,573
<b>Shareholders' funds</b>	472,902	465,437
Non-controlling interests	29,289	26,229
<b>TOTAL EQUITY</b>	<b>502,191</b>	<b>491,666</b>

**MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023 - continued**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As At</b>	<b>As At</b>
	<b>Financial</b>	<b>Financial</b>
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>30-06-2023</b>	<b>31-12-2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	397	409
Lease liabilities	231	328
Bank borrowings	130,266	153,727
	<b>130,894</b>	<b>154,464</b>
<b>Current liabilities</b>		
Trade payables	47,260	58,077
Other payables, deposits and accruals	27,625	42,147
Lease liabilities	163	159
Bank borrowings	5,070	-
Tax payable	4,302	7,664
	<b>84,420</b>	<b>108,047</b>
<b>TOTAL LIABILITIES</b>	<b>215,314</b>	<b>262,511</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>717,505</b>	<b>754,177</b>
	-	-
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	<b>37.8</b>	<b>37.2</b>

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 2022 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 30 JUNE 2023**  
(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	Distributable Other Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000			
<b><u>6 months ended 30 June 2023</u></b>								
As at 1 January 2023	452,510	(155)	645	1,864	10,573	465,437	26,229	491,666
Net profit for the financial period	-	-	-	-	8,100	8,100	1,053	9,153
Realisation of foreign exchange translation reserve	-	-	-	(635)	-	(635)	-	(635)
Total comprehensive income/(loss) for the financial period	-	-	-	(635)	8,100	7,465	1,053	8,518
<b>Transaction with owners:-</b>								
Subscription of shares by non-controlling interests	-	-	-	-	-	-	2,007	2,007
	-	-	-	-	-	-	2,007	2,007
As at 30 June 2023	452,510	(155)	645	1,229	18,673	472,902	29,289	502,191
								-
<b><u>6 months ended 30 June 2022</u></b>								
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
<b>Transaction with owners:-</b>								
Subscription of shares by non-controlling interests	-	-	-	-	-	-	17,160	17,160
	-	-	-	-	-	-	17,160	17,160
As at 30 June 2022	452,510	(155)	586	1,387	(8,999)	445,329	19,057	464,386

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**  
(The figures have not been audited)

	<b>6 months ended</b>	
	<b>30-06-2023</b>	<b>30-06-2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	7,599	2,139
<u>Adjustments for:-</u>		
Depreciation	376	300
Finance cost	1,504	277
Finance income	(3,552)	(1,039)
Gain on unwinding discount on other receivable	(435)	(428)
Gain on disposal of property, plant and equipment	(17)	-
Operating profit before working capital changes	5,475	1,249
<u>Changes in working capital:</u>		
Inventories - completed properties	(1,283)	292
Contract assets	78,378	24,511
Inventories - property development costs	6,923	3,462
Receivables	3,449	14,889
Payables	(25,341)	(40,365)
Cash generated from operations	67,601	4,038
Finance income received	3,490	988
Finance cost paid	(4,342)	(3,168)
Tax paid (net)	(3,826)	(6,842)
<b>Net cash from/(used in) operating activities</b>	<b>62,923</b>	<b>(4,984)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(260)	(387)
Proceeds from disposal of property, plant and equipment	19	-
Withdrawal of deposits pledged with licensed banks	-	33
<b>Net cash used in investing activities</b>	<b>(241)</b>	<b>(354)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment to Directors	-	(2,950)
Drawn down of bank borrowings	10,012	17,268
Repayment of bank borrowings	(28,763)	(231)
Repayment of lease liabilities	(93)	(70)
Issuance of shares to non-controlling interests	2,007	17,160
<b>Net cash (used in)/from financing activities</b>	<b>(16,837)</b>	<b>31,177</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>45,845</b>	<b>25,839</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(648)</b>	<b>54</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>234,666</b>	<b>152,563</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>279,863</b>	<b>178,456</b>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Deposits with licensed banks	149	49
Short-term investments	240,622	122,373
Cash and bank balances	39,601	56,083
	280,372	178,505
Less: Deposits with licensed banks pledged as securities for banking facilities	(149)	(49)
Bank overdraft	(360)	-
	<b>279,863</b>	<b>178,456</b>
	-	-

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023**

**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 2022.

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 2022, 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 2023.

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 on the annual financial statements of the Group for the financial year ended 31 December 2022 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 2023 (30 June 2022: 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			
	30/6/2023		30/6/2022		30/6/2023		30/6/2022	
	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
<b>Continuing Operations</b>								
• Property	17,817	3,774	43,728	240	40,291	6,526	85,675	2,041
• Investment holding	-	(728)	-	816	-	(860)	-	(541)
• Others	-	(56)	-	(57)	-	(115)	-	(123)
	<b>17,817</b>	<b>2,990</b>	<b>43,728</b>	<b>999</b>	<b>40,291</b>	<b>5,551</b>	<b>85,675</b>	<b>1,377</b>
Finance income	-	1,335	-	501	-	3,552	-	1,039
Finance costs	-	(668)	-	(238)	-	(1,504)	-	(277)
	<b>17,817</b>	<b>3,657</b>	<b>43,728</b>	<b>1,262</b>	<b>40,291</b>	<b>7,599</b>	<b>85,675</b>	<b>2,139</b>

**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 other than the Corporate Proposals as disclosed herein below under Note 19(B).

**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 other than the commitments mentioned in the Corporate Proposals as disclosed herein below under Note 19(B).

**14. Significant Related Party Transactions**

There are no significant related party transactions in the quarter under review.

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## Additional Explanatory Notes in compliance with Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

### 15. Review of Performance

The performance of the Group by operating segments are analysed below:

in RM'000	Current Quarter		Inc/(Dec) %	Preceding Quarter	Inc/(Dec) %	Cumulative Quarter		Inc/(Dec) %
	30/6/2023	30/6/2022				30/6/2023	30/6/2022	
<b>Revenue</b>								
• Property	17,817	43,728	-59%	22,474	-21%	40,291	85,675	-53%
	<b>17,817</b>	<b>43,728</b>	<b>-59%</b>	<b>22,474</b>	<b>-21%</b>	<b>40,291</b>	<b>85,675</b>	<b>-53%</b>
<b>Profit before tax</b>								
<b>Continuing Operations</b>								
• Property	3,774	240	1473%	2,752	37%	6,526	2,041	220%
• Investment holding	(728)	816	-189%	(132)	452%	(860)	(541)	59%
• Others	(56)	(57)	-2%	(59)	-5%	(115)	(123)	-7%
	<b>2,990</b>	<b>999</b>	<b>199%</b>	<b>2,561</b>	<b>17%</b>	<b>5,551</b>	<b>1,377</b>	<b>303%</b>
Finance income	1,335	501	166%	2,217	-40%	3,552	1,039	242%
Finance costs	(668)	(238)	181%	(836)	-20%	(1,504)	(277)	443%
	<b>3,657</b>	<b>1,262</b>	<b>190%</b>	<b>3,942</b>	<b>-7%</b>	<b>7,599</b>	<b>2,139</b>	<b>255%</b>

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

#### a) Overall Review of Group's performance

In April 2023, saw the delivery of vacant possession of Residensi Metro Kepong located at Taman Metropolitan, Kepong to its end-purchasers, resulting in the recognition of the remaining revenue of RM10.9 million, a 49% reduction compared to the preceding year corresponding quarter revenue of RM21.6 million. Overall revenue declined by 59% due mainly to the foregoing and the nil revenue recognition during the current quarter under review for the Group's project in Alam Damai, Cheras, known as Residensi Majestic Maxim following the delivery of vacant possession to its end-purchasers in November 2022 (Q2 2022: RM21.6 million). The decline was arrested by the contribution to revenue from Residensi Maxim Risen which was launched in July 2022, contributing RM6.9 million during the current quarter under review.

In spite of the lower revenue achieved in the current quarter under review, the operating profit contribution from Residensi Maxim Risen of RM1.9 million coupled with the recovery of tax penalty of RM2.2 million, led to the Group achieving a higher profit before interest and tax for the current quarter under review at RM3.0 million, an increase of 199% vis-à-vis profit before interest and tax of RM1.0 million reported in the preceding year corresponding quarter.

b) **Segmental Review**• **Property**

This business segment presently comprised four (4) property development projects, namely, ongoing Residensi Maxim Risen in Taman Desa Aman, Cheras, Kuala Lumpur and completed 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:-

	Ongoing Project(s)	Completed Projects		
	<u>Taman Desa Aman, Cheras</u>	<u>Ganggarak, Labuan FT</u>	<u>Taman Metropolitan, Kepong</u>	<u>Alam Damai, Cheras</u>
Name of projects	Residensi Maxim Risen	Ganggarak Permai	Residensi Metro Kepong	Residensi Majestic Maxim
Net property sales ('000)	RM520,378	RM73,575	RM297,162	RM921,495
Unbilled sales ('000)	RM454,858	RM0	RM0	RM0
Percentage completion (cumulative)	12.6% (June 2022: Not applicable as project launched in July 2022)	Phase 3 – 100% (handed over vacant possession in July 2022) (June 2022: 100%)  Phase 4 – 100% (handed over vacant possession in Nov 2022) (June 2022: 97.5%)	100% (handed over vacant possession in Apr 2023) (June 2022: 82.3%)	100% (handed over vacant possession in Nov 2022) (June 2022: 92.2%)
Operating profit/(loss) for the quarter ('000)	RM1,943 2022: Not applicable	RM2,114 2022: (RM856)	RM332 2022: RM602	(RM161) 2022: RM1,404

**Residensi Maxim Risen**, an Apartment Suite development project, sits on a leasehold land size of 2.60 acres, located at Taman Desa Aman, Cheras, Kuala Lumpur where the gross development value is approximately RM564 million. It has contributed to the Group's operating profit during the quarter under review with a sum of RM1.94 million, attained on the back of percentage of completion of 0.7% (cumulative at 12.6%). Residensi Maxim Risen comprise 1,236 units and has a 100% take-up rate as at the end of the quarter under review.

**Ganggarak Permai** (phases 3 and 4) were handed over the vacant possession to end purchasers in the second half of year 2022. The operating profit registered during the quarter under review was due to the recovery of tax penalty of RM2.2 million which was earlier accrued in the 3<sup>rd</sup> quarter of financial year 2021.

**Residensi Metro Kepong**, an affordable apartment development project, was handed over of vacant possession to end purchasers in April 2023. The operating profit registered during the quarter under review mainly represents the remainder recognition of profits of the project.

**Residensi Majestic Maxim** was handed over the vacant possession to end purchasers in the fourth quarter of financial year 2022. The operating losses registered during the quarter under review represents costs incurred during the post-handling over of the project.

### **Review on Performance – Quarter under review compared to Preceding Quarter**

The Group's revenue for the quarter under review registered at RM17.8 million or 21% lower than the preceding quarter mainly due to the lower revenue from Residensi Maxim Risen at RM7.0 million (vis-à-vis RM14.9 million in the preceding quarter) in line with lower percentage completion at 0.7% (vis-à-vis 1.5% in the preceding quarter), partly set-off by higher revenue of RM3.2 million contributed by Residensi Metro Kepong. In line with the lower revenue, operating profit was correspondingly lower but was augmented by the recovery of tax penalty of RM2.2 million, resulting in the Group's higher profit before interest and tax at RM3.0 million (vis-a-vis RM2.6 million in the preceding quarter), an increase of 17%.

## **16. Prospects**

The Malaysian economy for 2023 is expected to continue to expand amid slower external demand. Growth will be driven by domestic demand, supported by improving labour market conditions, higher tourism activity and further progress of multiyear investment projects. Domestic financial conditions also remain conducive to financial intermediation. The risks to Malaysia's growth outlook are fairly balanced. Upside risks are mainly from domestic factors such as stronger-than expected tourism activity and implementation of projects including those from the re-tabled Budget 2023. Meanwhile, downside risks stem from weaker-than-expected global growth and more volatile global financial market conditions. The Group is cautious that the pace of economic recovery is dependent on various factors, among others support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions. The Government of Malaysia has taken various measures to support the economy through the implementation of various policies and measures to ensure a conducive business environment that facilitates economic activities and meet the needs of the rakyat.

On the property sector, with the easing of inflationary pressures, the prospects of the property market are anticipated to improve. However, concerns regarding the rising construction costs and potential increases in the overnight policy rate lingers on, which may impact the market conditions.

Against this backdrop, the Group is moving forward to strengthen its market position and expand its property development business in order to further improved its financial performance in the future. The Proposed Acquisitions (as disclosed herein below under Note 19(B)) is one of the strategies taken in attaining this goal. The possibility of undertaking property development outside Malaysia will also be explored by the Group.

Presently, the Group's ongoing property development project is Residensi Maxim Risen located at Taman Desa Aman, Cheras, Kuala Lumpur. To add on, the Group has launched an affordable housing development project, named "Residensi Max II" located at Setapak, Kuala Lumpur on 10 July 2023, whereby all sales registration are conducted and approved via the Residensi Wilayah, Jabatan Wilayah Persekutuan's online portal. Whilst, on the Group's other existing land banks, works has been initiated with a view of launching at the appropriate time. At the same time, the Group is actively looking for new land banks to be acquired as the Group is cautiously optimistic in the medium-to-long term of the positive outlook in the property industry and the demand from market remains sustainable, particularly among first-time homebuyers.

**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:

	<b>Current Quarter (3 months ended)</b>		<b>Cumulative Quarter (6 months ended)</b>	
	<b>30/6/2023 RM'000</b>	<b>30/6/2022 RM'000</b>	<b>30/6/2023 RM'000</b>	<b>30/6/2022 RM'000</b>
Malaysian income tax:				
- Current tax	668	1,874	2,032	3,413
- Over provision in prior year	(3,597)	-	(3,597)	-
	<u>(2,929)</u>	<u>1,874</u>	<u>(1,565)</u>	<u>3,413</u>
Deferred tax	6	(1,091)	11	(2,033)
Total taxation	<u>(2,923)</u>	<u>783</u>	<u>(1,554)</u>	<u>1,380</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 and other temporary timing differences.

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## 19. Corporate Proposals

### Status 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 30 June 2023 (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 36 months (revised from original 12 months)
4) Future investment in other complementary businesses and/or assets (Note 1)	113,000	35,314	77,686	-
5) Working capital purposes	8,450	8,450	-	Within 24 months
6) Estimated expenses in relation to the Disposal	20,300	20,300	-	Within 1 month
	173,200	92,875	80,325	

Note 1 – A sum of RM49.0 million will be received in December 2023. The above balance sum of RM77.686 million has been fully earmarked for utilisation towards part settlement of the purchase consideration on the Proposed Acquisitions (as disclosed herein below under Note 19(B)), disclosed in detailed in the Circular to Shareholders dated 20 July 2023. The Proposed Acquisitions represents an opportunity for the Group to expand its property development business and is in accordance with the stated use of the proceeds arising from the Disposal and henceforth does not constitute a material variation to the utilisation of proceeds pursuant to paragraph 8.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

#### (B) Proposed Acquisitions and Proposed Share Consolidation

On 13 April 2023, the Company has entered into the following acquisitions with related parties for a total consideration of RM119,000,000 (“Purchase Consideration”) comprise:

- i. conditional share sale agreement to acquire 2 ordinary shares in Zapland Property Sdn Bhd (“ZPSB”), representing 100% equity interest in ZPSB from Gan Lee Ha and Lee Cheh Hian for a purchase consideration of RM39,034,668.65 to be satisfied via a combination of deferred cash

consideration and the issuance of new ordinary shares in Maxim Global Berhad ("Consideration Share(s)");

- ii. conditional share sale agreement to acquire 2 ordinary shares in Asiatic Network Sdn Bhd ("ANSB"), representing 100% equity interest in ANSB from Chai Chang Guan and Chai Seong Min for a purchase consideration of RM32,196,845.87 to be satisfied via a combination of deferred cash consideration and Consideration Shares;
- iii. conditional share sale agreement to acquire 4 ordinary shares in Brogan Maxim Sdn Bhd ("BMSB"), representing 100% equity interest in BMSB from Tan Sri Gan Seong Liam and Gan Kuok Chyuan for a purchase consideration of RM21,411,281.71 to be satisfied via a combination of deferred cash consideration and Consideration Shares;
- iv. conditional share sale agreement to acquire 2 ordinary shares in Maxim Realty Sdn Bhd ("MRSB"), representing 100% equity interest in MRSB from Tan Sri Gan Seong Liam and Puan SriLoh Foong Ping for a purchase consideration of RM10,757,108.81 to be satisfied via a combination of deferred cash consideration and Consideration Shares;
- v. conditional share sale agreement to acquire 13,110 ordinary shares in Maxim Holdings Sdn Bhd ("MHSB") ("MHSB Sale Share(s)"), representing 13.11% equity interest in MHSB from Sanlens Sdn Bhd ("Sanlens") for a purchase consideration of RM15,600,094.96 to be satisfied via a combination of deferred cash consideration and Consideration Shares; and

collectively referred to as the "Proposed Acquisitions"

- vi. proposed consolidation of every 2 existing Maxim Global Berhad Shares into 1 Maxim Global Berhad Share ("Consolidated Share(s)") ("Proposed Share Consolidation").

The Proposed Acquisitions and Proposed Share Consolidation are collectively referred to as the "Proposals".

In addition, there are outstanding amounts owing by ZPSB, ANSB, BMSB, MRSB and MHSB to certain of their directors and outgoing creditors, totalling RM152,031,412 ("Amounts Owing") which Maxim Global Berhad will assume. In this respect, the aggregate purchase consideration in respect of the Proposed Acquisitions (i.e. after aggregating the Purchase Consideration and inclusive of Amounts Owing) amounts to RM271,031,412 in total.

The Proposed Acquisitions provide an opportunity for Maxim Global Berhad to acquire and obtain full control of MHSB, which is principally involved in property development, via the acquisitions of ZPSB, ANSB, BMSB and MRSB (which collectively hold 86.89% equity interests in MHSB) and the existing MHSB Sale Shares owned by Sanlens (representing 13.11% equity interests in MHSB), together representing 100% equity interests in MHSB. Through acquiring full control of MHSB, the Group will obtain access to the property development projects and land banks of MHSB Group.

The Proposed Acquisitions are deemed as related party transactions under Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Pursuant thereto, the Board (save for the Interested Directors) has appointed MainStreet Advisers Sdn Bhd to act as the independent adviser to advise the non-interested directors and non-interested shareholders of Maxim Global Berhad as to whether the Proposed Acquisitions are fair and reasonable so far as the non-interested directors and non-interested shareholders of the Company are concerned, and whether the Proposed Acquisitions are to the detriment of the non-interested shareholders of Maxim Global Berhad.

The Proposals are subject to the approval of the Company's shareholders, approval of Bursa Malaysia Securities Berhad for the listing of and quotation for the Consideration Shares and approval and/or consent from two financial institutions, being two existing financiers of two of MHSB's subsidiary companies for the change in shareholdings of MHSB.

On 12 July 2023, Bursa Malaysia Securities Berhad granted approval for the listing of and quotation for the Consideration Shares to be issued pursuant to the Proposed Acquisitions and the Proposed Share Consolidation.

At the Extraordinary General Meeting of the Company held on 4 August 2023, the shareholders had approved the Proposals. With the receipt of the consent from the two financial institutions, the Proposed Acquisitions were completed on 11 August 2023.

Leaving behind the Proposed Share Consolidation which is expected to be completed in mid-September 2023.

## 20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	<b>As at 30/6/2023 RM'000</b>	<b>As at 31/12/2022 RM'000</b>
(a) Current borrowings – secured		
Term loan	4,710	-
Bank overdraft	360	-
Lease liabilities	163	159
	<u>5,233</u>	<u>159</u>
(b) Non-current borrowings – secured		
Term loans	121,516	153,054
Bridging loan	8,750	673
Lease liabilities	231	328
	<u>130,497</u>	<u>154,055</u>

All the Group's borrowings are denominated in Malaysian currency and are secured. Total borrowings reduced by RM18.5 million as compared to the audited total borrowings as at 31 December 2022. The reduction was mainly due to part repayment of RM28.8 million vide collection from progress billings and set-off by drawdown of both term and bridging loans, totalling RM10.0 million, utilised towards part financing its property development project, Residensi Maxim Risen. The above loans bear interest rates ranged from 4.78% - 6.40% per annum.

Bank borrowings are expected to increase in the following quarter of the financial year under review with the progress of development of the Group's Residensi Maxim Risen project and newly launch Residensi Max II 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		
	30/6/2023	As at 31/12/2022	
	RM'000	RM'000	
Trade receivables	4,455	3,246	
Trade receivables - held by stakeholders	77,628	63,817	
Less : Allowance for Expected Credit Losses	-	-	
	<u>82,083</u>	<u>67,063</u>	

  

	As at		As at 31/12/2022
	30/6/2023	%	RM'000
	RM'000		
Neither past due nor impaired	1,711	2.1%	33
Neither past due nor impaired - held by Stakeholders	77,628	94.6%	63,817
Past due 31 to 60 days not impaired	377	0.5%	2,371
Past due 61 to 90 days not impaired	2,148	2.6%	-
Past due > 91 days not impaired	219	0.3%	842
Past due > 91 days impaired	-	0.0%	-
	<u>82,083</u>	<u>100%</u>	<u>67,063</u>

Trade receivables (excluding the amounts held by stakeholders) increased by 37.2% to RM4.5 million as at 30 June 2023 mainly due to higher amount owing by end-purchasers together with higher unsettled progress billing issued to end-purchasers toward the end of the quarter under review. The above sums held by stakeholders represents retention by legal firms appointed as stakeholders and will be released to the Group in accordance with the timeline indicated in the sale and purchase agreements, where a portion on the expiry of 8 months and the remainder on the expiry of 24 months after the date of vacant possession.

There are no trade receivables from related parties and there is no major customer that forms part of the trade receivables.

The normal credit terms granted to house buyers is 30 (2022: 30) calendar days. Interest is charged on overdue accounts at 10% (2022: 10%) per annum on a daily basis. Credit terms granted to other customers are assessed and approved on a case-by-case 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 allowance for expected credit losses is not required as at the end of the quarter under review.

## 22. Financial Instruments

### (a) Derivatives

There were no outstanding derivatives as at 30 June 2023.

### (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 2023 except as disclosed herein.



### **23. Material Litigation**

There was no other material litigation pending as at 17 August 2023 (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.

As announced on 7 December 2022, the Solicitors for PT TKU and PT MSM have advised that the foregoing decision of the Supreme Court of the Republic of Indonesia was final and binding and no remedy, other course of actions or appeals are available.

On 23 February 2023, PT TKU and PT MSM have submitted Petition for Guidance to the Supreme Court (known as *Fatwa Mahkamah Agung*) seeking guidance on the adjudication of Fictive Positive (applied by both PT TKU and PT MSM at its application for Injunction Requests on 24 March 2021, filed with the Administrative Courts at Kota Jayapura in the Province of Papua, Republic of Indonesia), where the Supreme Court (under Judicial Review Petition) had in its recent judgment informed that Fictive Positive is no longer under the jurisdiction of the State Administrative Courts following the enactment of the Job Creation Law and its derivative regulations (despite other precedent rulings in other administrative courts in the Republic of Indonesia applying Fictive Positive). Further, the Job Creation Law was subsequently ruled formally flawed and inadmissible by the Republic of Indonesia's Constitutional Courts.

On 14 April 2023, the Solicitors of PT TKU and PT MSM notified that the Supreme Court responded to the Petition for Guidance and notified that the Supreme Court could not respond to the guidance sought on the basis that the Supreme Court can only provide guidance to State Institution. Disagreeing to the Supreme Court's decision, PT TKU and PT MSM have on 9 May 2023 filed a submission to the Supreme Court (through the Head of Administrative Court Chamber) to seek them to reconsider their decision vis-a-vis the subsisting Guidelines (known as "Decree of the Head of Supreme Court No. 213/KMA/SK/XII/2014 on Guidelines for the Implementation of the Chamber System at the Supreme Court of the Republic of Indonesia") which states that "The Head of the Supreme Court delegates the authority to answer guidance petitions submitted by **individuals** or **legal entities** to the Head of Chambers or relevant officials to be followed up by providing legal guidance". As at present, the Group has yet to receive the reply from the Supreme Court.

In a related matter, with reference to the Company's announcement on 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. As at present, the Group has yet to receive any decision from the Ministry of Environment and Forestry.

In relation to the above 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 as the investments were fully impaired in financial year 2020.

## 24. Dividend

No dividend has been declared or proposed for the current financial quarter under review.

## 25. Earnings Per Share

### a) Basic Earnings Per Share

	<b>Current Quarter 30/6/2023</b>	<b>Cumulative Quarter 30/6/2023</b>
Net Profit for the financial period attributable to equity holders of the Company (RM'000)	6,341	8,100
Weighted average number of ordinary shares issued (Unit'000)	1,252,675	1,252,675
Basic earnings per ordinary share (sen)	0.51	0.65

## 26. Additional Disclosures for Profit for the Financial Period

	<b>Current Quarter 30/6/2023 RM'000</b>	<b>Cumulative Quarter 30/6/2023 RM'000</b>
<i>Profit for the financial period is arrived at after crediting: -</i>		
Finance income	1,335	3,552
Rental income	25	50
Gain on disposal of property, plant and equipment	-	17
Gain on unwinding discount of other receivable	218	435
Fair value gain on short-term investments	1,025	1,767
<i>and after charging: -</i>		
Finance costs	668	1,504
Rental of premises	60	99
Rental of equipment	3	5
Depreciation of property, plant and equipment	189	376

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 August 2023.