

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30-09-2023	30-09-2022	30-09-2023	30-09-2022
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	27,960	62,435	68,251	148,110
Cost of sales	<u>(21,931)</u>	<u>(53,048)</u>	<u>(54,319)</u>	<u>(132,545)</u>
Gross profit	6,029	9,387	13,932	15,565
Other operating income	1,846	856	6,536	1,980
Operating expenses	<u>(4,767)</u>	<u>(2,824)</u>	<u>(11,809)</u>	<u>(8,749)</u>
Operating profit	3,108	7,419	8,659	8,796
Finance income	898	212	4,450	1,251
Finance costs	<u>(1,006)</u>	<u>(653)</u>	<u>(2,510)</u>	<u>(930)</u>
Profit before taxation	3,000	6,978	10,599	9,117
Taxation	<u>(932)</u>	<u>(2,231)</u>	<u>622</u>	<u>(3,611)</u>
Net profit for the financial period	<u>2,068</u>	<u>4,747</u>	<u>11,221</u>	<u>5,506</u>
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	213	(158)	(422)	(103)
Total comprehensive income for the financial period	<u>2,281</u>	<u>4,589</u>	<u>10,799</u>	<u>5,403</u>
Net profit attributable to :				
Owners of the Company	1,502	2,973	9,602	4,185
Non-controlling interests	<u>566</u>	<u>1,774</u>	<u>1,619</u>	<u>1,321</u>
	<u>2,068</u>	<u>4,747</u>	<u>11,221</u>	<u>5,506</u>
Total comprehensive income attributable to :				
Owners of the Company	1,715	2,815	9,180	4,082
Non-controlling interests	<u>566</u>	<u>1,774</u>	<u>1,619</u>	<u>1,321</u>
	<u>2,281</u>	<u>4,589</u>	<u>10,799</u>	<u>5,403</u>
Basic earnings per ordinary share (sen)				
- from continuing operations	0.22	0.47	1.48	0.67
- from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>0.22</u>	<u>0.47</u>	<u>1.48</u>	<u>0.67</u>

Note: The comparative basic earning per share have restated to take into account the effects of the share consolidation undertaken and completed on 7 September 2023.

(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 SEPTEMBER 2023

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Period Ended	Year Ended
	30-09-2023	31-12-2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,759	12,686
Other investment	68	68
Inventories - property development costs	71,469	8,042
Deferred tax assets	130	734
Other receivables	6,846	6,753
	91,272	28,283
Current assets		
Inventories - completed properties	6,971	-
Inventories - property development costs	344,304	244,500
Trade receivables	80,581	67,063
Contract assets	38,922	102,624
Other receivables, deposits and prepayments	60,546	76,889
Short-term investments	167,811	106,247
Tax recoverable	3,842	3
Deposits with licensed banks	124	100,149
Cash and bank balances	27,978	28,419
	731,079	725,894
TOTAL ASSETS	822,351	754,177
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	492,727	452,510
Share option reserve	645	645
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,442	1,864
Retained earnings	20,175	10,573
Shareholders' funds	514,834	465,437
Non-controlling interests	23,263	26,229
TOTAL EQUITY	538,097	491,666

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

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Period Ended	Year Ended
	30-09-2023	31-12-2022
	RM'000	RM'000
Non-current liabilities		
Deferred tax liabilities	2,005	409
Other payable	42,599	-
Lease liabilities	203	328
Bank borrowings	120,929	153,727
	165,736	154,464
Current liabilities		
Trade payables	54,429	58,077
Other payables, deposits and accruals	55,924	42,147
Lease liabilities	252	159
Bank borrowings	7,316	-
Tax payable	597	7,664
	118,518	108,047
TOTAL LIABILITIES	284,254	262,511
TOTAL EQUITY AND LIABILITIES	822,351	754,177
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	70.0	74.3

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 comparative net assets per share have restated to take into account the effects of the share consolidation undertaken and completed on 7 September 2023.

(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 SEPTEMBER 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	Other Reserves RM'000	Distributable Retained Earnings/ (Accumulated Losses) RM'000			
<u>9 months ended 30 September 2023</u>								
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	-	-	-	-	9,602	9,602	1,619	11,221
Issuance of shares pursuant to acquisition of subsidiaries	40,217	-	-	-	-	40,217	-	40,217
Realisation of foreign exchange translation reserve	-	-	-	(422)	-	(422)	-	(422)
Total comprehensive income/(loss) for the financial period	40,217	-	-	(422)	9,602	49,397	1,619	51,016
<u>Transactions with owners:-</u>								
Purchase of shares from non-controlling interests	-	-	-	-	-	-	(6,592)	(6,592)
Subscription of shares by non-controlling interests	-	-	-	-	-	-	2,007	2,007
	-	-	-	-	-	-	(4,585)	(4,585)
As at 30 September 2023	492,727	(155)	645	1,442	20,175	514,834	23,263	538,097
-								
<u>9 months ended 30 September 2022</u>								
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
<u>Transaction with owners:-</u>								
Subscription of shares by non-controlling interests	-	-	-	-	-	-	20,345	20,345
	-	-	-	-	-	-	20,345	20,345
As at 30 September 2022	452,510	(155)	586	1,229	(6,026)	448,144	24,016	472,160

(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 SEPTEMBER 2023
(The figures have not been audited)

	9 months ended	
	30-09-2023	30-09-2022
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax from continuing operations	10,599	9,117
<u>Adjustments for:-</u>		
Depreciation	589	457
Finance cost	2,510	930
Finance income	(4,450)	(1,251)
Gain on unwinding discount on other receivable	(655)	(643)
Gain on disposal of property, plant and equipment	(17)	27
Property, plant and equipment written off	-	1
Operating profit before working capital changes	<u>8,576</u>	<u>8,638</u>
<u>Changes in working capital:</u>		
Inventories - completed properties	(190)	292
Contract assets	64,845	(15,333)
Inventories - property development costs	6,385	(12,792)
Receivables	44,923	16,305
Payables	<u>(38,995)</u>	<u>(45,464)</u>
Cash generated from/(used in) operations	85,544	(48,354)
Finance income received	4,358	1,174
Finance cost paid	(6,271)	(5,094)
Tax paid (net)	<u>(7,418)</u>	<u>(14,838)</u>
Net cash from/(used in) operating activities	<u>76,213</u>	<u>(67,112)</u>
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(300)	(395)
Acquisition of subsidiary companies, net of cash and cash equivalents (Note 1)	(88,370)	-
Proceeds from disposal of property, plant and equipment	19	171
Withdrawal/(Placement) of deposits pledged with licensed banks	<u>28</u>	<u>(67)</u>
Net cash used in investing activities	<u>(88,623)</u>	<u>(291)</u>
FINANCING ACTIVITIES		
Repayment to Directors	-	(8,150)
Drawn down of bank borrowings	10,638	38,316
Repayment of bank borrowings	(38,777)	(3,874)
Repayment of lease liabilities	(130)	(111)
Issuance of shares to non-controlling interests	<u>2,007</u>	<u>20,345</u>
Net cash (used in)/from financing activities	<u>(26,262)</u>	<u>46,526</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(38,672)	(20,877)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(432)	(110)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>234,666</u>	<u>152,563</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>195,562</u>	<u>131,576</u>
 Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	124	149
Short-term investments	167,811	103,717
Cash and bank balances	<u>27,978</u>	<u>27,859</u>
	195,913	131,725
Less: Deposits with licensed banks pledged as securities for banking facilities	(121)	(149)
Bank overdraft	<u>(230)</u>	<u>-</u>
	<u>195,562</u>	<u>131,576</u>
	-	-

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023
(The figures have not been audited)

NOTE 1 - ACQUISITION OF SUBSIDIARY COMPANIES

(a) The fair value of the identifiable assets and liabilities arising from the acquisition of subsidiary companies are as follows:

	RM'000
Property, plant & equipment	365
Investment in an associate	6,739
Inventories - Property development costs	165,943
Trade receivables	30,272
Contract assets (net)	1,143
Other receivables, deposits and prepayments	11,024
Short-term investments	25,131
Cash and bank balances	18,244
Trade payables	(21,214)
Other payables, deposits and accruals	(8,288)
Bank borrowings (including lease liabilities)	(2,525)
Deferred tax	(80)
Tax recoverable (net)	2,274
Fair value of net assets	229,028
Less : Non-controlling interests	-
Group's share of net assets	229,028
Premium on acquisition	4,873
Total cost of acquisition	233,901

(b) The effects of the acquisition on cash flows are as follows:

Total consideration for equity interest acquired	233,901
Less: Non cash consideration	(40,217)
Less: Deferred payment (payable over a duration of three years)	(61,939)
Less: Cash and cash equivalents of subsidiary companies acquired	(43,375)
Net cash outflow on acquisition of subsidiary companies, net of cash and cash equivalents	88,370

(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 September 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 except for the issuance and allotment of 217,391,304 new ordinary shares, being Consideration Shares towards part settlement of the Purchase Consideration in relation to the Proposed Acquisitions. Although the issue price for the Consideration Shares approved by the Shareholders of the Company was at RM0.23 per share, however, in accordance with Accounting Standards, the Company reflected the fair value of the equity instruments issued based on the published price at the date of exchange or the acquisition date. The acquisition date refers to the completion date of 11 August 2023. The closing price of Maxim Global Berhad's share was then at RM0.185 per share (Source: Bloomberg Report). The above newly issued shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 14 August 2023. With the foregoing allotment and issuance of Consideration Shares, the issued share capital of the Company since 11 August 2023 comprised 1,470,540,451 ordinary shares (inclusive of 474,300 treasury shares), equivalent to RM492,727,074.

The above was followed by the Proposed Share Consolidation which entails the consolidation of every 2 existing Maxim Global Berhad shares held by Shareholders of the Company into 1 Maxim Global Berhad share, subject to any fractional entitlements which has been disregarded. The Proposed Share Consolidation has been completed on 7 September 2023, with the consolidation of 1,470,066,151 Maxim Global shares (excluding 474,300 treasury shares) to 735,032,840 Consolidated Shares. Further, the 474,300 treasury shares of Maxim Global has been consolidated into 237,150 treasury shares.

For further details on the foregoing, kindly refer to the section on Corporate Proposals as disclosed hereinbelow under Note 19(B).

7. Dividends Paid

There was no dividend paid during the quarter ended 30 September 2023 (30 September 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 9 months ended			
	30/9/2023		30/9/2022		30/9/2023		30/9/2022	
	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
Continuing Operations								
• Property	27,960	4,038	62,435	7,396	68,251	10,564	148,110	9,437
• Investment holding	-	(872)	-	81	-	(1,732)	-	(460)
• Others	-	(58)	-	(58)	-	(173)	-	(181)
	27,960	3,108	62,435	7,419	68,251	8,659	148,110	8,796
Finance income	-	898	-	212	-	4,450	-	1,251
Finance costs	-	(1,006)	-	(653)	-	(2,510)	-	(930)
	27,960	3,000	62,435	6,978	68,251	10,599	148,110	9,117

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

With the completion of the Proposed Acquisitions (as elaborated in the section on Corporate Proposals as disclosed hereinbelow under Note 19(B)) on 11 August 2023, Zapland Property Sdn Bhd, Asiatic Network Sdn Bhd, Brogan Maxim Sdn Bhd, Maxim Realty Sdn Bhd and Maxim Holdings Sdn Bhd had all become wholly-owned subsidiaries of the Company.

Save for the above, 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.

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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) %
	30/9/2023	30/9/2022				30/9/2023	30/9/2022	
Revenue								
• Property	27,960	62,435	-55%	17,817	57%	68,251	148,110	-54%
	27,960	62,435	-55%	17,817	57%	68,251	148,110	-54%
Profit before tax								
Continuing Operations								
• Property	4,038	7,396	-45%	3,774	7%	10,564	9,437	12%
• Investment holding	(872)	81	-1177%	(728)	20%	(1,732)	(460)	277%
• Others	(58)	(58)	0%	(56)	4%	(173)	(181)	-4%
	3,108	7,419	-58%	2,990	4%	8,659	8,796	-2%
Finance income	898	212	324%	1,335	-33%	4,450	1,251	256%
Finance costs	(1,006)	(653)	54%	(668)	51%	(2,510)	(930)	170%
	3,000	6,978	-57%	3,657	-18%	10,599	9,117	16%

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

a) Overall Review of Group’s performance

In August 2023 saw the completion of the Proposed Acquisitions (as elaborated hereinbelow under Note 19(B)) and the Group thereafter consolidated the revenue and results of the newly acquired ongoing project company named Butirjaya Maxim Development Sdn Bhd which development project is located in Jalan Kolam Air 6, Kuala Lumpur under project name “ Residensi Max ”.

Despite the consolidation of the foregoing mentioned project, the Group registered a lower revenue by 55% in the quarter under review vis-à-vis the preceding year corresponding quarter, was mainly attributable to the lower percentage completion registered by the Group’s ongoing development project in Taman Desa Aman, Cheras, Kuala Lumpur and further that the Group ceased to register any revenue during the quarter from two of its development projects, namely Residensi Majestic Maxim (Q3 2022: RM15.2 million) and Residensi Metro Kepong (Q3 2022: RM26.2 million) following the delivery of vacant possession to its end-purchasers in November 2022 and April 2023, respectively.

On the back of the lower Revenue, the Group achieved a corresponding lower profit before interest and tax for the current quarter of RM3.1 million, a decline by 58% vis-à-vis profit before interest and tax of RM7.4 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, newly acquired Residensi Max in Jalan Kolam Air 6, Kuala Lumpur and Residensi Max II in Prima Setapak, Kuala Lumpur which was launched in the quarter under review. The fourth property development project is the duly completed Residensi Metro Kepong in Taman Metropolitan, Kepong, Kuala Lumpur which was delivered vacant possession in April 2023.

The summary of performance and progress are as below:-

	Ongoing Project(s)			Completed Project
	<u>Taman Desa Aman, Cheras, Kuala Lumpur</u>	<u>Jalan Kolam Air 6, Kuala Lumpur</u>	<u>Prima Setapak, Kuala Lumpur</u>	<u>Taman Metropolitan, Kepong, Kuala Lumpur</u>
Name of projects	Residensi Maxim Risen	Residensi Max	Residensi Max II	Residensi Metro Kepong
Net property sales ('000)	RM524,231	RM246,129	RM1,500	RM298,001
Unbilled sales ('000)	RM445,469	RM182,446	RM1,469	RM0
Percentage completion (cumulative)	15.0% (September 2022: 8.1%)	25.9% (September 2022: Not applicable as project company acquired in August 2023)	2.1% (September 2022: Not applicable as project launched in July 2023)	100% (handed over vacant possession in Apr 2023) (September 2022: 91.1%)
Operating profit/(loss) for the quarter ('000)	RM3,025 2022: RM6,025	RM1,941 2022: Not applicable	(RM342) 2022: Not applicable	(RM144) 2022: RM1,194

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 registered a 100% take-up rate for all its 1,236 units of apartment suite. During the quarter under review, it has contributed a relatively lower operating profit with a sum of RM3.03 million as compared to the preceding year corresponding quarter due to the lower percentage of completion at 2.4% registered (Q3 2022: 8.1%). The project has commenced the construction of main building works during the quarter under review.

Residensi Max, a newly acquired affordable apartment development project, located at Jalan Kolam Air 6, Kuala Lumpur, with 100% take-up rate for all its 818 units apartment, contributing a maiden operating profit of RM1.94 million during the quarter under review. The development of this project is presently at the construction of main building works (commenced since December 2022). The project has achieved a cumulative percentage of completion at 25.9% as at the end of the quarter under review. The delivery of vacant possession is envisaged sometime in second half of financial year 2025.

Residensi Max II, an affordable apartment development project which consists of 2 blocks with a total units of 604, located at Prima Setapak, Kuala Lumpur. This project was launched on 10 July 2023, whereby all sales registration are conducted and approved via the Residensi Wilayah, Jabatan Wilayah Persekutuan's online portal. To-date, the registration was overwhelming with total registration of 1,266, out of which 423 have been approved by the authorities. The project was undertaken in attaining one of the Group's corporate social responsibility's objectives and also in line with the Group's aim in assisting everyone to own a home. As at the end of the quarter under review, the percentage of completion was at 2.1%.

Residensi Metro Kepong, an affordable apartment development project, was handed over of vacant possession to end purchasers in April 2023. The operating loss registered during the quarter under review mainly represents the costs incurred during the post-handover of the project.

Review on Performance – Quarter under review compared to Preceding Quarter

The Group's revenue for the current quarter registered at RM28.0 million or 57% higher than the preceding quarter mainly due to the maiden contribution from Residensi Max, an affordable apartment development project under newly acquired subsidiary, Butirjaya Maxim Development Sdn Bhd, with revenue posted at RM13.5 million and coupled with higher revenue posted by Residensi Maxim Risen at RM13.1 million (vis-à-vis RM7.0 million in the preceding quarter), set off with lower revenue contributed by Residensi Metro Kepong at RM1.3 million (vis-à-vis RM10.8 million in the preceding quarter), the latter due to the delivered vacant possession during the preceding quarter. Despite higher revenue, the Group's profit before tax was slightly lower at RM3.0 million vis-à-vis RM3.7 million in the preceding quarter, mainly due to the preceding quarter includes the recovery of tax penalty of RM2.2 million.

16. Prospects

With the challenging global environment, the Malaysian economy is forecast to expand by approximately 4% in 2023 and moderately between 4% and 5% in 2024. Growth will continue to be fuelled by domestic demand amid improving employment and income as well as implementation of multi-year projects.

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 property development and construction industry.

Against this backdrop, the Group is moving forward to strengthen its market position and expand its property development business in order to further improve its financial performance in the future. The completion of the Proposed Acquisitions (as disclosed herein below under Note 19(B)) is one of the strategies taken by the Group in attaining this goal. Further, the Group will explore on the possibility of undertaking property development beyond Malaysian shores.

For the financial year under review, the Group's ongoing property development project, Residensi Maxim Risen located at Taman Desa Aman, Cheras, Kuala Lumpur will lead towards contributing positively to the Group's revenue and profits.

Meanwhile, Residensi Max and Residensi Max II, both of the Group's affordable housing projects located at Jalan Kolam Air 6 and Prima Setapak (both at Kuala Lumpur), will contribute revenue to the Group for the next two to three years but profit contribution will not be significant in view of their nature of development.

New property development projects will be launched on the Group's other existing land banks but expected in the forthcoming financial year. 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:

	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30/9/2023 RM'000	30/9/2022 RM'000	30/9/2023 RM'000	30/9/2022 RM'000
Malaysian income tax:				
- Current tax	1,262	2,446	3,294	5,859
- (Over)/Under provision in prior year	(911)	7,135	(4,508)	7,135
	<u>351</u>	<u>9,581</u>	<u>(1,214)</u>	<u>12,994</u>
Deferred tax	581	(7,350)	592	(9,383)
Total taxation	<u>932</u>	<u>2,231</u>	<u>(622)</u>	<u>3,611</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 ProposalsStatus of Corporate Proposals Announced(A) Status of Utilisation of Proceeds arising from Disposal of 100% Equity Interest in PIPP and TPMC

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

<u>Details of Utilisation</u>	Total Gross Proceeds from Disposal (RM'000)	Actual Utilisation up to 30 September 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	64,000	49,000	-
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	121,561	51,639	

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

During the quarter under review saw the actual utilisation totalling RM28.69 million which was applied towards part settlement of the purchase consideration on the Proposed Acquisitions (as disclosed hereinbelow under Note 19(B)). 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 Sri Loh 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.

Meanwhile, on the Proposed Share Consolidation which entails the consolidation of every 2 existing Maxim Global Berhad shares held by Shareholders of the Company into 1 Maxim Global Berhad share, subject to any fractional entitlements which has been disregarded, the same was duly completed on 7 September 2023 and duly listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 9 September 2023.

With the completion of the Proposed Acquisitions on 11 August 2023, Zapland Property Sdn Bhd, Asiatic Network Sdn Bhd, Brogan Maxim Sdn Bhd, Maxim Realty Sdn Bhd and Maxim Holdings Sdn Bhd became wholly-owned subsidiaries of the Company. From herein, the Company will be entitled to all the revenue and profits from the development project and all the cash flows generated from it and undertake development of its land bank.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/9/2023 RM'000	As at 31/12/2022 RM'000
(a) Current borrowings – secured		
Term loans	7,086	-
Bank overdraft	230	-
Lease liabilities	252	159
	<u>7,568</u>	<u>159</u>
(b) Non-current borrowings – secured		
Term loans	112,179	153,054
Bridging loan	8,750	673
Lease liabilities	203	328
	<u>121,132</u>	<u>154,055</u>

All the Group's borrowings are denominated in Malaysian currency and are secured. Total borrowings reduced by RM25.5 million as compared to the audited total borrowings as at 31 December 2022. The reduction was mainly due to part repayment of RM38.8 million vide collection from progress billings and set-off by drawdown of both term and bridging loans, totalling RM10.6 million, utilised towards

part financing its property development project, Residensi Maxim Risen and Residensi Max II. The above loans bear interest rates ranged from 4.78% - 7.17% per annum.

Bank borrowings are expected to increase in the following quarter of the financial year under review with the progress of development of both the Group's Residensi Maxim Risen and Residensi Max II projects.

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 30/9/2023 RM'000	As at 31/12/2022 RM'000	
Trade receivables	8,783	3,246	
Trade receivables - held by stakeholders	71,798	63,817	
Less : Allowance for Expected Credit Losses	-	-	
	80,581	67,063	

	As at 30/9/2023 RM'000	%	As at 31/12/2022 RM'000
Neither past due nor impaired	1,163	1.4%	33
Neither past due nor impaired - held by Stakeholders	71,798	89.1%	63,817
Past due 31 to 60 days not impaired	1,563	1.9%	2,371
Past due 61 to 90 days not impaired	2,454	3.0%	-
Past due > 91 days not impaired	3,603	4.5%	842
Past due > 91 days impaired	-	0.0%	-
	80,581	100%	67,063

Trade receivables (excluding the amounts held by stakeholders) increased by 170.5% or RM5.5 million as at 30 September 2023 mainly due to assumption of trade receivables of RM6.6 million from the newly acquired subsidiaries pursuant to the Proposed Acquisitions (as disclosed hereinabove under Note 19(B)). 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 review of the recoverability of trade receivables and the allowance for expected credit losses, both periodically. 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 September 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 September 2023 except as disclosed herein.

23. Material Litigation

There was no other material litigation pending as at 17 November 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

The Board of Directors has declared an interim single-tier dividend in respect of the financial year ending 31 December 2023 of 2.0 sen (31 December 2022: 2.0 sen after taking into account of the Share Consolidation) per ordinary share on 23 November 2023.

In respect of deposited securities, entitlement to the interim single-tier dividend will be determined based on shareholders registered in the record of depositors as at 12 December 2023. The payment date will be on 22 December 2023.

25. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 30/9/2023	Cumulative Quarter 30/9/2023
Net Profit for the financial period attributable to equity holders of the Company (RM'000)	<u>1,502</u>	<u>9,602</u>
Weighted average number of ordinary shares issued (Unit'000)	<u>686,592</u>	<u>646,643</u>
Basic earnings per ordinary share (sen)	<u>0.22</u>	<u>1.48</u>

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26. Additional Disclosures for Profit for the Financial Period

	Current Quarter 30/9/2023 RM'000	Cumulative Quarter 30/9/2023 RM'000
<i>Profit for the financial period is arrived at after crediting: -</i>		
Finance income	898	4,450
Rental income	13	63
Gain on disposal of property, plant and equipment	-	17
Gain on unwinding discount of other receivable	220	655
Fair value gain on short-term investments	1,570	3,337
<i>and after charging: -</i>		
Finance costs	724	2,228
Finance costs arising from unwinding discount of other payable	282	282
Rental of premises	27	126
Rental of equipment	3	8
Depreciation of property, plant and equipment	213	589

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 23 November 2023.

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