

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2024
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31-3-2024	31-3-2023	31-3-2024	31-3-2023
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	89,596	22,474	89,596	22,474
Cost of sales	<u>(68,559)</u>	<u>(17,666)</u>	<u>(68,559)</u>	<u>(17,666)</u>
Gross profit	21,037	4,808	21,037	4,808
Other operating income	1,349	1,058	1,349	1,058
Operating expenses	<u>(4,845)</u>	<u>(3,305)</u>	<u>(4,845)</u>	<u>(3,305)</u>
Operating profit	17,541	2,561	17,541	2,561
Finance income	725	2,217	725	2,217
Finance costs	<u>(1,823)</u>	<u>(836)</u>	<u>(1,823)</u>	<u>(836)</u>
Profit before taxation	16,443	3,942	16,443	3,942
Taxation	<u>(4,349)</u>	<u>(1,369)</u>	<u>(4,349)</u>	<u>(1,369)</u>
Net profit for the financial period	12,094	2,573	12,094	2,573
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	33	(285)	33	(285)
Total comprehensive income for the financial period	12,127	2,288	12,127	2,288
Net profit attributable to :				
Owners of the Company	8,407	1,759	8,407	1,759
Non-controlling interests	<u>3,687</u>	<u>814</u>	<u>3,687</u>	<u>814</u>
	12,094	2,573	12,094	2,573
Total comprehensive income attributable to :				
Owners of the Company	8,440	1,474	8,440	1,474
Non-controlling interests	<u>3,687</u>	<u>814</u>	<u>3,687</u>	<u>814</u>
	12,127	2,288	12,127	2,288
Basic earnings per ordinary share (sen)				
- from continuing operations	1.14	0.28	1.14	0.28
- from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	1.14	0.28	1.14	0.28

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 2023 and the accompanying explanatory notes attached to the interim financial statements.)

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	(UNAUDITED) As At Financial Period Ended 31-3-2024 RM'000	(AUDITED) As At Financial Year Ended 31-12-2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,286	12,397
Other investment	70	70
Inventories - property development costs	71,517	71,476
Deferred tax assets	1,220	2,338
Other receivables	2,000	1,995
	87,093	88,276
Current assets		
Inventories - completed properties	3,391	6,781
Inventories - property development costs	347,947	347,982
Trade receivables	49,525	49,346
Contract assets	104,092	55,079
Contract cost assets	22,178	24,203
Other receivables, deposits and prepayments	31,182	15,156
Short-term investments	140,438	187,259
Tax recoverable	3,412	2,225
Deposits with licensed banks	124	124
Cash and bank balances	54,254	50,368
	756,543	738,523
TOTAL ASSETS	843,636	826,799
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	492,727	492,727
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,679	1,646
Retained earnings	10,097	1,690
Shareholders' funds	504,348	495,908
Non-controlling interests	36,851	24,834
TOTAL EQUITY	541,199	520,742

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 - continued

	(UNAUDITED)	(AUDITED)
	As At	As At
	Financial	Financial
	Period Ended	Year Ended
	31-3-2024	31-12-2023
	RM'000	RM'000
Non-current liabilities		
Deferred tax liabilities	2,622	2,666
Other payables	43,776	43,183
Lease liabilities	118	161
Bank borrowings	114,070	125,565
	<u>160,586</u>	<u>171,575</u>
Current liabilities		
Trade payables	67,871	45,919
Other payables, deposits and accruals	41,551	59,950
Contract Liabilities	5,504	7,710
Lease liabilities	169	167
Bank borrowings	20,399	16,986
Tax payable	6,357	3,750
	<u>141,851</u>	<u>134,482</u>
TOTAL LIABILITIES	<u>302,437</u>	<u>306,057</u>
TOTAL EQUITY AND LIABILITIES	<u>843,636</u>	<u>826,799</u>
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	<u>68.6</u>	<u>79.2</u>

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 2023 and the accompanying explanatory notes attached to the interim financial statements.)

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024
(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>3 months ended 31 March 2024</u>								
As at 1 January 2024	492,727	(155)	-	1,646	1,690	495,908	24,834	520,742
Net profit for the financial period	-	-	-	-	8,407	8,407	3,687	12,094
Realisation of foreign exchange translation reserve	-	-	-	33	-	33	-	33
Total comprehensive income for the financial period	-	-	-	33	8,407	8,440	3,687	12,127
<u>Transactions with owners:-</u>								
Subscription of shares by non-controlling interests	-	-	-	-	-	-	8,330	8,330
	-	-	-	-	-	-	8,330	8,330
As at 31 March 2024	492,727	(155)	-	1,679	10,097	504,348	36,851	541,199
								-
<u>3 months ended 31 March 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	-	-	-	-	1,759	1,759	814	2,573
Realisation of foreign exchange translation reserve	-	-	-	(285)	-	(285)	-	(285)
Total comprehensive income/(loss) for the financial period	-	-	-	(285)	1,759	1,474	814	2,288
<u>Transactions with owners:-</u>								
Subscription of shares by non-controlling interests	-	-	-	-	-	-	1,617	1,617
	-	-	-	-	-	-	1,617	1,617
As at 31 March 2023	452,510	(155)	645	1,579	12,332	466,911	28,660	495,571

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)

MAXIM GLOBAL BERHAD [Reg No. 196801000620 (8184-W)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

(The figures have not been audited)

	3 months ended	
	31-3-2024	31-3-2023
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	16,443	3,942
<u>Adjustments for:-</u>		
Depreciation	196	187
Finance cost	1,823	836
Finance income	(725)	(2,217)
Gain on unwinding discount on other receivable	-	(217)
Gain on disposal of property, plant and equipment	-	(17)
Unrealised loss on foreign exchange	27	-
Operating profit before working capital changes	17,764	2,514
<u>Changes in working capital:-</u>		
Inventories - completed properties	3,390	(298)
Contract assets	(49,194)	(23,379)
Inventories - property development costs	1,168	4,220
Receivables	(16,179)	20,117
Payables	3,313	(14,376)
Cash used in operations	(39,738)	(11,202)
Finance income received	693	2,186
Finance cost paid	(2,131)	(2,234)
Tax paid (net)	(1,854)	(3,040)
Net cash used in operating activities	(43,030)	(14,290)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(85)	(144)
Proceeds from disposal of property, plant and equipment	-	19
Net cash used in investing activities	(85)	(125)
FINANCING ACTIVITIES		
Drawn down of bank borrowings	17,921	7,877
Repayment of bank borrowings	(26,003)	-
Repayment of lease liabilities	(41)	(54)
Issuance of shares to non-controlling interests	8,330	1,617
Net cash from financing activities	207	9,440
NET CHANGES IN CASH AND CASH EQUIVALENTS	(42,908)	(4,975)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(27)	(291)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	237,627	234,666
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	194,692	229,400
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	124	100,149
Short-term investments	140,438	101,856
Cash and bank balances	54,254	27,544
	194,816	229,549
Less: Deposits with licensed banks pledged as securities for banking facilities	(124)	(149)
	194,692	229,400
	-	-

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)

**Notes to the Condensed Consolidated Interim Financial Statements
For the financial quarter ended 31 March 2024**

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 2023.

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 2023, 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 2024.

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 2023 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 current quarter ended 31 March 2024 (31 March 2023: 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 Quarters 3 months ended			
	31/3/2024		31/3/2023		31/3/2024		31/3/2023	
	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	89,596	18,500	22,474	2,752	89,596	18,500	22,474	2,752
• Investment holding	-	(900)	-	(132)	-	(900)	-	(132)
• Others	-	(59)	-	(59)	-	(59)	-	(59)
	89,596	17,541	22,474	2,561	89,596	17,541	22,474	2,561
Finance income	-	725	-	2,217	-	725	-	2,217
Finance costs	-	(1,823)	-	(836)	-	(1,823)	-	(836)
	89,596	16,443	22,474	3,942	89,596	16,443	22,474	3,942

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 Proposal 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 except for (1) the incorporation of a wholly-owned subsidiary, **Maxim Global IKN Pte Ltd**, an investment holding company incorporated in Singapore with an issued share capital of \$100 on 22 January 2024, and (2) the incorporation of a subsidiary, **Maxim Pelangi Sdn Bhd** (for the purposes as elaborated under Note 19(B) hereinbelow), a property development company on 19 February 2024. On the latter, **Maxim Pelangi Sdn Bhd** had subsequently on 13 March 2024 increased its issued share capital to RM1,000,000 where the Company subscribed for its portion, resulting in Maxim Pelangi Sdn Bhd becoming a 51% subsidiary of the Company.

12. Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as at end of the quarter under review till the date of announcement of this quarterly report.

13. Capital and Other Commitments

There are no material authorised capital and other commitments not provided for in the interim financial statements as at end of the current financial quarter under review except as below:-

	RM'000
Inventories – property development costs	
- Freehold land, at cost	150,300

The above other commitment is in respect of the acquisition of a piece of freehold land located at Plentong, Johor Bahru by the Company's 51% owned subsidiary, Maxim Pelangi Sdn Bhd, of which the sale purchase agreement is pending completion as at the end of the current financial quarter under review and details are further elaborated under the Corporate Proposal as disclosed hereinbelow under Note 19(B). The Group portion of its commitment of the foregoing sum is limited to 51% based on its equity interests.

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 Quarters		Inc / (Dec) %
	31/3/2024	31/3/2023				31/3/2024	31/3/2023	
Revenue								
• Property	89,596	22,474	299%	48,651	84%	89,596	22,474	299%
	89,596	22,474	299%	48,651	84%	89,596	22,474	299%
Profit/(Loss) before tax								
Continuing Operations								
• Property	18,500	2,752	572%	6,849	170%	18,500	2,752	572%
• Investment holding	-	(132)	582%	(7,891)	-89%	(900)	(132)	582%
• Others	(59)	(59)	0%	(40)	48%	(59)	(59)	0%
	17,541	2,561	585%	(1,082)	-1721%	17,541	2,561	585%
Finance income	725	2,217	-67%	1,593	-54%	725	2,217	-67%
Finance costs	(1,823)	(836)	118%	(1,624)	12%	(1,823)	(836)	118%
	16,443	3,942	317%	(1,113)	-1577%	16,443	3,942	317%

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

a) Overall Review of Group's performance

The Group's revenue grew substantially by about 4 times to register at RM89.6 million vis-à-vis the preceding year corresponding quarter wholly derived from the Property business segment which was directly attributed from the Group's three (3) ongoing property development projects, (1) RM38.8 million from **Residensi Max** at Jalan Kolam Air 6, Kuala Lumpur (an affordable homes project which came into the Group after completion of the Proposed Acquisitions in August 2023); (2) RM39.9 million revenue from **Residensi Maxim Risen** at Taman Desa Aman, Cheras, Kuala Lumpur vis-à-vis RM14.9 million in the preceding year corresponding quarter due to higher percentage completion achieved of 7.7% during the quarter under review vis-à-vis the preceding year corresponding quarter at 1.5% coupled with sales achievement of 100% (2023: 93.9%) during quarter under review; and (3) RM5.3 million from **Residensi Max II** at Prima Setapak, Setapak, Kuala Lumpur (an affordable homes project launched in July 2023).

The strong performance by Residensi Max and Residensi Maxim Risen led to the Group achieving profit before interest and tax for the current quarter at RM17.5 million. The current quarter reported a significant increase of 585% vis-à-vis profit before interest and tax of RM2.6 million reported in the preceding year corresponding quarter.

b) Segmental Review

- Property

This business segment presently comprised three (3) property development projects, namely, **Residensi Maxim Risen** in Taman Desa Aman, Cheras, Kuala Lumpur, **Residensi Max** in Jalan Kolam Air 6, Kuala Lumpur and **Residensi Max II** in Prima Setapak, Kuala Lumpur which was

launched in 3rd quarter of preceding year. For corresponding period review purposes, the Group has a property development project, namely 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	RM148,518	RM298,001
Unbilled sales ('000)	RM387,056	RM116,592	RM139,402	RM0
Percentage completion (cumulative)	26.2% (March 2023: 11.9%)	52.6% (March 2023: Not applicable as project company acquired in August 2023)	6.1% (March 2023: Not applicable as project launched in July 2023)	100% (handed over vacant possession in Apr 2023) (March 2023: 96.4%)
Operating profit/(loss) for the quarter ('000)	RM11,864 2023: RM3,895	RM5,730 2023: Not applicable	RM71 2023: Not applicable	(RM121) 2023: (RM165)

Residensi Maxim Risen, an Apartment Suite development project, located at Taman Desa Aman, Cheras, Kuala Lumpur with 100% take-up rate for all its 1,236 units of apartment suite. It was the main contributor to the Group's earning. Higher percentage completion of 7.7% was achieved during the quarter under review vis-à-vis the preceding year corresponding quarter at 1.5% resulted in the operation profit of RM11.86 million achieved during the quarter under review. The main building works has commenced since July 2023 and the project has achieved percentage of completion at 26.2% as at the end of the quarter under review whilst delivery of vacant possession is envisaged in the fourth quarter of financial year 2026.

Residensi Max, an affordable apartment development project, located at Jalan Kolam Air 6, Kuala Lumpur, with 100% take-up rate for all its 818 units apartment, contributing operating profit of RM5.73 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 52.6% 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 unit of 604, located at Prima Setapak, Kuala Lumpur. This project was launched in 3rd quarter 2023 and it has achieved take up rate at 90% (543 units) as at the end of the quarter under review. 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. There will be minimal profit contribution from this project in view of its nature of development. As at the end of the quarter under review, the percentage of completion was at 6.1% whilst delivery of vacant possession is envisaged in the second half of financial year 2027.

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

Review on Performance – Quarter under review compared to Preceding Quarter

The Group's revenue for the quarter under review registered at RM89.6 million was 84% higher than the preceding quarter mainly due to the higher revenue posted by Residensi Maxim Risen and Residensi Max at RM39.9 million and RM38.8 million respectively (vis-a-vis RM17.8 million and RM26.9 million respectively in the preceding quarter) on the back of higher percentage completion achieved for both developments. Revenue from the abovementioned projects were the main contributor for the Group's higher profit before interest and tax at RM17.5 million in the current quarter under review (vis-a-vis loss before interest and tax at RM1.1 million in the preceding quarter, the latter loss was as a result of RM5.0 million incurred on settlement of a contingent consideration).

16. Prospects

The prospect for the current financial year under review underscore the likelihood of continued challenges. The Group continues to exercise caution regarding the overall global outlook, primarily due to the ongoing geopolitical conflicts which contributed to volatility in oil prices, subsequently resulting to raising inflation, especially in terms of heightened costs of building materials. Nevertheless, the Group remains steadfast in its determination to maintain the momentum established during the preceding financial year, poised to coordinate a year of growth in 2024.

The Malaysian economy is projected to expand moderately in the year 2024, as external demand is expected to remain low, while domestic demand is expected to continue to drive economic growth in 2024, with a GDP anticipated to register a growth of approximately 4% to 5% in 2024. Nevertheless, construction sector is expected to record better performance supported by the recovery of the labour market, and acceleration of ongoing infrastructure and utilities projects domestic demand will continue to drive growth (*source: Economic Outlook 2024, Ministry of Finance, Malaysia*).

The Property Development and Construction business segment will continue to be the Group's main focus. The Group is currently backed by three (3) ongoing development projects, namely:

- (i) Residensi Maxim Risen, located in Taman Desa Aman, Cheras; Kuala Lumpur,
- (ii) Residensi Max, located in Off Jalan Kolam Air 6, Kuala Lumpur; and
- (iii) Residensi Max II, located in Prima Setapak, Setapak, Kuala Lumpur.

In addition, the Group's has on 11 May 2024 launched a new development project located in Taman Desa, Kuala Lumpur under the name "Residensi The Atas" comprising 624 units of residential condominium, spread across three towers with gross development value of RM580 million. The above ongoing development projects together with the launched Residensi The Atas are anticipated to spearhead the Group's revenue and profitability for the current financial year under review and onwards. At the same time, the Group will continue to actively search for strategic landbank to be acquired to further expand the Group's property development portfolio on top of the recently announced acquisition of a land in Johor Bahru, on 22 March 2024, marking the Group's maiden foray into the State of Johor Darul Takzim.

Concerns regarding the rising construction costs lingers on moving into year 2024, may impact the property development and construction industry. The Group will maximise value engineering to mitigate the rising construction costs whilst at the same time will offer a fair and affordable pricing for our upcoming projects. This is part of the Group's sustainability initiatives in fostering "One Family One Home", in assisting everyone in owning a home.

As the Group advances forward, premised on our versatile strategies underscore our innovation, sustainable growth, and supported by the Group's healthy financial position cum disciplined

financial management practices, the Group is cautiously optimistic of achieving an improved financial performance in the current financial year under review.

17. Profit Forecast and Profit Guarantee

There is no profit forecast and profit guarantee that is applicable to the Group.

18. Taxation

Taxation comprises the following:

	Current Quarter (3 months ended)		Cumulative Quarter (3 months ended)	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
- Current tax	3,274	1,364	3,274	1,364
Deferred tax	1,075	5	1,075	5
Total taxation	<u>4,349</u>	<u>1,369</u>	<u>4,349</u>	<u>1,369</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	Balance (RM'000)	Timeframe for utilisation
		Utilisation up to 31 March 2024 (RM'000)		
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	11,000	-	Within 36 months (revised from original 12 months)
4) Future investment in other complementary businesses and/or assets	113,000	77,670	35,330	By year 2025
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	137,870	35,330	

During the financial quarter under review, from the remaining available gross proceeds for ‘Future investment’, the Company has utilised a sum of RM8.67 million towards payment of deposit in relation to the Proposed Acquisition as elaborate in further details hereinunder in Note 19(B). The above utilisation of the remaining available gross proceeds was in line with its intended used and not a material variation to the utilisation of proceeds pursuant to Paragraph 8.22 of the Listing Requirements.

(B) Proposed Acquisition of a parcel of freehold land held in Mukim Plentong, State of Johor Darul Takzim

On 22 March 2024, the Company announced that Maxim Pelangi Sdn Bhd, a 51% owned subsidiary of the Company, had on 22 March 2024, entered into a conditional sale and purchase agreement (“SPA”) with Pelangi Sdn Bhd (“the Vendor”) for the proposed acquisition of a parcel of freehold land held under title No. GRN 38933, Lot No. 16996, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim, measuring approximately 26,329 square metres for a purchase consideration of RM167.0 million (“Purchase Consideration”), to be satisfied entirely in cash (“Proposed

Acquisition"). On execution of the SPA, a sum of 10% of the Purchase Consideration amounting to RM16.7 million was paid to the Vendor.

The Proposed Acquisition is undertaken in line with the Group's business strategy to expand its property development and construction business through increasing its present landbank and/or undertaking further property development projects.

The Proposed Acquisition is not a related party transaction and is subjected among others, to the approval of the Company's shareholders at an Extraordinary General Meeting to be convened. Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Acquisition is expected to be completed in the second half of financial year under review.

For further details of the Proposed Acquisition, kindly refer to the Announcement released to Bursa Malaysia Securities Berhad on 22 March 2024.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 31/3/2024 RM'000	As at 31/12/2023 RM'000
(a) Current borrowings – secured		
Term loans	20,399	16,986
Lease liabilities	169	167
	<u>20,568</u>	<u>17,153</u>
(b) Non-current borrowings – secured		
Term loans	82,052	97,644
Bridging loan	32,018	27,921
Lease liabilities	118	161
	<u>114,188</u>	<u>125,726</u>

All the Group's borrowings are denominated in Malaysian currency and are secured. Total borrowings reduced by RM8.1 million as compared to the audited total borrowings as at 31 December 2023. The reduction was mainly due to part repayment of RM26.0 million vide collection from progress billings and set-off by drawdown of both term and bridging loans, totalling RM17.9 million, utilised towards part financing its two (2) property development project, Residensi Maxim Risen and Residensi Max. The above loans bear interest rates ranged from 5.11% - 6.45% per annum.

Bank borrowings are expected to increase in the forthcoming quarters with the progress of development of ongoing projects, namely Residensi Maxim Risen, Residensi Max II and Residensi Max. Further, the Company's 51% owned subsidiary company, Maxim Pelangi Sdn Bhd has on 22 March 2024 entered into a sale and purchase agreement to acquire a piece of freehold land, measuring 26,329 sq meter (approximately 6.5 acres) located at Plentong, Johor Bahru, Johor for a total purchase consideration of RM167,000,000. The purchase of the aforesaid land is expected to be partly funded by a banking facility. The banking facility are expected to be drawn down in current financial year henceforth, causing the quantum of bank borrowings to be further increased.

21. Trade Receivables

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

	As at 31/3/2024 RM'000	As at 31/12/2023 RM'000
Trade receivables	7,422	7,243
Trade receivables - held by Stakeholders	42,103	42,103
Less : Allowance for Expected Credit Losses	-	-
	<u>49,525</u>	<u>49,346</u>

	As at 31/3/2024 RM'000	%	As at 31/12/2023 RM'000
Neither past due nor impaired	4,735	9.6%	3,718
Neither past due nor impaired - held by Stakeholders	42,103	85.0%	42,103
Past due 31 to 60 days not impaired	587	1.2%	411
Past due 61 to 90 days not impaired	30	0.1%	52
Past due > 91 days not impaired	2,070	4.2%	3,062
Past due > 91 days impaired	-	0.0%	-
	<u>49,525</u>	<u>100%</u>	<u>49,346</u>

Trade receivables (excluding the amounts held by stakeholders) slight increased by 2.5% or RM0.2 million as at 31 March 2024 mainly due to slightly overall higher unsettled progress billing issued to end-purchasers toward 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 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 31 March 2024.

(b) Gain/(Loss) arising from fair value changes in financial assets and liabilities

There is no gain/(loss) arising from fair value changes in financial assets and liabilities during the quarter ended 31 March 2024 except as disclosed herein.

23. Material Litigation

There was no other material litigation pending as at 17 May 2024 (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 (which involved a total of 192 companies) 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 2024 of 1.0 sen for the 1st half of the current financial period ended 30 June 2024 (30 June 2023: Nil) per ordinary share. Cumulatively up to the date of this Quarterly Report, for the financial year ended 31 December 2024, total dividend declared amounts to 1.0 sen per ordinary share (31 December 2023: 2.0 sen per ordinary share).

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 18 June 2024. The payment date will be on 26 June 2024.

25. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 31/3/2024	Cumulative Quarter 31/3/2024
Net Profit for the financial period attributable to equity holders of the Company (RM'000)	<u>8,407</u>	<u>8,407</u>
Weighted average number of ordinary shares issued (Unit'000)	<u>735,033</u>	<u>735,033</u>
Basic earnings per ordinary share (sen)	<u>1.14</u>	<u>1.14</u>

b) Diluted Earnings Per Share

There is no dilution effect to the earning per share for current quarter under review.

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26. Additional Disclosures for Profit for the Financial Period

	Current Quarter 31/3/2024 RM'000	Cumulative Quarter 31/3/2024 RM'000
<i>Profit for the financial period is arrived at after crediting: -</i>		
Finance income	725	725
Rental income	17	17
Realised gain on foreign exchange	25	25
Fair value gain on short-term investments	<u>1,240</u>	<u>1,240</u>
<i>and after charging: -</i>		
Finance costs	958	958
Finance costs on unwinding discount of other payable	865	865
Rental of premises	44	44
Rental of equipment	5	5
Unrealised loss on foreign exchange	27	27
Depreciation of property, plant and equipment	<u>196</u>	<u>196</u>

Other than the above, there was no material 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 May 2024.

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