

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2017**  
(The figures have not been audited)

	2nd Quarter 3 months ended		Cumulative to Date 6 months ended	
	30/06/2017 RM'000	30/06/2016 RM'000	30/06/2017 RM'000	30/06/2016 RM'000
<b>Continuing Operations</b>				
Revenue	26,243	9,632	38,744	15,129
Cost of sales	<u>(22,881)</u>	<u>(8,804)</u>	<u>(34,260)</u>	<u>(13,635)</u>
Gross profit	3,362	828	4,484	1,494
Other operating income/(expenses)	208	256	334	322
Operating expenses	<u>(9,552)</u>	<u>(3,609)</u>	<u>(14,322)</u>	<u>(7,221)</u>
Operating (loss) /profit	<u>(5,982)</u>	<u>(2,525)</u>	<u>(9,504)</u>	<u>(5,405)</u>
Finance costs	<u>(198)</u>	<u>(446)</u>	<u>(369)</u>	<u>(489)</u>
<b>(Loss) / Profit before taxation</b>	<u>(6,180)</u>	<u>(2,971)</u>	<u>(9,873)</u>	<u>(5,894)</u>
Taxation	232	(148)	259	(297)
<b>Net (loss) /profit from continuing operations</b>	<u>(5,948)</u>	<u>(3,119)</u>	<u>(9,614)</u>	<u>(6,191)</u>
Discontinuing operations	-	-	-	-
<b>Net (loss)/profit for the financial period</b>	<u>(5,948)</u>	<u>(3,119)</u>	<u>(9,614)</u>	<u>(6,191)</u>
<b>Other comprehensive income/(loss), net of tax</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	191	(131)	288	54
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Revaluation of property	-	-	56,611	-
<b>Total comprehensive (loss)/profit for the period</b>	<u>(5,757)</u>	<u>(3,250)</u>	<u>47,285</u>	<u>(6,137)</u>
<b>Net (loss)/profit attributable to :</b>				
Owners of the Company	(5,902)	(2,847)	(9,522)	(5,841)
Non-controlling interests	<u>(46)</u>	<u>(272)</u>	<u>(92)</u>	<u>(350)</u>
	<u>(5,948)</u>	<u>(3,119)</u>	<u>(9,614)</u>	<u>(6,191)</u>
<b>Total comprehensive (loss)/profit attributable to:</b>				
Owners of the Company	(5,711)	(2,978)	47,377	(5,787)
Non-controlling interests	<u>(46)</u>	<u>(272)</u>	<u>(92)</u>	<u>(350)</u>
	<u>(5,757)</u>	<u>(3,250)</u>	<u>47,285</u>	<u>(6,137)</u>
Basic earnings/(loss) per ordinary share (sen)				
- from continuing operations	(1.16)	(0.68)	(1.92)	(1.38)
- from discontinuing operations	-	-	-	-
	<u>(1.16)</u>	<u>(0.68)</u>	<u>(1.92)</u>	<u>(1.38)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	<b>(UNAUDITED)</b> <b>As At End</b> <b>Of Current</b> <b>Quarter</b> <b>30/06/2017</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>As At Preceding</b> <b>Financial</b> <b>Year End</b> <b>31/12/2016</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	114,695	41,251
Prepaid land lease payments	2,213	2,259
Prepaid land lease payments with cultivation rights	58,157	59,143
Investment in joint venture	-	14
Other investment	50	50
Timber concession rights	218,000	218,000
Land and development expenditure	37,541	8,165
Deferred tax assets	475	589
	431,131	329,471
<b>Current assets</b>		
Inventories	626	1,049
Land and development expenditure	62,783	90,841
Progress billing	13,487	1,427
Trade receivables	3,632	8,019
Other receivables, deposits and prepayments	31,274	33,732
Tax recoverable	1,067	1,067
Deposits placed with licensed banks	17,360	30
Cash and bank balances	8,941	9,611
	139,170	145,776
<b>TOTAL ASSETS</b>	<b>570,301</b>	<b>475,247</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	266,106	244,854
Share premium	-	1,367
Share option reserve	352	352
Treasury shares	(155)	(155)
Reserves:		
- translation reserve	697	409
- Revaluation reserve	56,611	-
- (Accumulated losses)/Retained profits	(5,919)	3,603
Shareholders' funds	317,692	250,430
Non-controlling interests	27,817	27,909
<b>Total equity</b>	<b>345,509</b>	<b>278,339</b>

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017 - continued**

	<b>(UNAUDITED)</b> <b>As At End</b> <b>Of Current</b> <b>Quarter</b> <b>30/06/2017</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>As At Preceding</b> <b>Financial</b> <b>Year End</b> <b>31/12/2016</b> <b>RM'000</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	100,444	82,999
Hire purchase liabilities	652	998
Bank borrowings	23,427	15,675
	124,523	99,672
<b>Current liabilities</b>		
Trade payables	13,317	18,079
Other payables, deposits and accruals	47,255	49,095
Amount due to customers on contract	-	788
Amount due to directors	14,292	2,792
Hire purchase liabilities	772	869
Bank borrowings	24,473	25,457
Tax payables	160	156
	100,269	97,236
<b>TOTAL LIABILITIES</b>	224,792	196,908
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>570,301</b>	<b>475,247</b>
	-	-
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	59	51

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 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**  
(The figures have not been audited)

	Attributable to owners of the Company					Other Reserves RM'000	Retained profits/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Share Option Reserve RM'000	Non-Distributable					
<b><u>6 months ended 30 June 2017</u></b>										
As at 1 January 2017	244,854	1,367	(155)	352	409	3,603	250,430	27,909	278,339	
Total comprehensive loss for the period	-	-	-	-	-	(9,522)	(9,522)	(92)	(9,614)	
Issuance of shares pursuant to private placement	20,058	-	-	-	-	-	20,058	-	20,058	
Expenses from issue of placement shares	-	(173)	-	-	-	-	(173)	-	(173)	
Revaluation of property	-	-	-	-	56,611	-	56,611	-	56,611	
Exchange differences on translation of foreign entities	-	-	-	-	288	-	288	-	288	
Transition to no-par value regime on 31 January 2017 ^	1,194	(1,194)	-	-	-	-	-	-	-	
As at 30 June 2017	266,106	-	(155)	352	57,308	(5,919)	317,692	27,817	345,509	
<b><u>6 months ended 30 June 2016</u></b>										
As at 1 January 2016	222,616	1,367	(155)	-	866	39,609	264,303	28,179	292,482	
Equity interests of non-controlling interest in a new subsidiary to the Group	-	-	-	-	-	-	-	450	450	
Total comprehensive loss for the period	-	-	-	-	-	(5,841)	(5,841)	(350)	(6,191)	
Bonus Issue	22,238	-	-	-	-	(22,238)	-	-	-	
Exchange differences on translation of foreign entities	-	-	-	-	54	-	54	-	54	
As at 30 June 2016	244,854	1,367	(155)	-	920	11,530	258,516	28,279	286,795	

^ The new Companies Act, 2016 in Malaysia (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of **RM1,194,000** for purposes as set out in Sections 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**  
(The figures have not been audited)

	<b>CUMULATIVE QUARTER</b>	<b>Preceding Year</b>
	<b>Current</b>	<b>Corresponding</b>
	<b>Quarter</b>	<b>Quarter</b>
	<b>30/06/2017</b>	<b>30/06/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(9,873)	(5,894)
<u>Adjustments for non-cash items:</u>		
Amortisation of prepaid land lease payments:	46	46
Amortisation of prepaid land lease payments with cultivation rights	986	986
Depreciation	1,166	864
Interest expense	369	489
Interest income	(179)	(182)
Gain on disposal of plant and equipment	-	(56)
Operating loss before working capital changes	(7,485)	(3,747)
<u>Changes in working capital:</u>		
Inventories	423	(59)
Progress Billing	(8,869)	-
Contract customers	(3,979)	(253)
Land and Development expenditure	188	(915)
Receivables	6,846	(645)
Payables	(6,604)	(4,603)
Cash generated from/(used in) operations	(19,480)	(10,222)
Interest received	179	182
Interest paid	(1,874)	(489)
Net of tax paid	(73)	-
<b>Net cash used in operating activities</b>	(21,248)	(10,529)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(122)	(446)
Proceeds from disposal of plant & equipment	-	212
Subscription of shares in a new subsidiary, net of cash and cash equivalent	-	18
Proceeds from issuance of shares pursuant to private placement	20,058	-
Share issuance expenses	(173)	-
Proceeds on disposal of investment in joint venture	14	-
<b>Net cash (used in)/from investing activities</b>	19,777	(216)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from/(Repayment to) directors	11,500	(207)
Drawn down of bank borrowings	20,522	24,029
Repayment of bank borrowings	(13,754)	(790)
Repayment of hire purchase liabilities	(442)	(379)
<b>Net cash from financing activities</b>	17,826	22,653
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	16,355	11,908
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	305	93
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	9,611	5,615
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>26,271</b>	<b>17,616</b>
	-	-

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 - continued**  
(The figures have not been audited)

Cash and cash equivalents at the end of the financial period comprise the following:

	<b>As at</b>	<b>As at</b>
	<b>30/06/2017</b>	<b>30/06/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits placement with licensed banks	17,360	14,053
Cash and bank balances	8,941	3,593
	<u>26,301</u>	<u>17,646</u>
Less: Deposit pledged with bank as security for banking facilities	(30)	(30)
	<u><b>26,271</b></u>	<u><b>17,616</b></u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**TADMAX RESOURCES BERHAD (8184-W)**  
**(Incorporated in Malaysia)**

**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the quarter ended 30 June 2017**

**1. Basis of Preparation and Accounting Policies**

The interim financial statements have been prepared under the historical cost convention, except for the valuation of timber concession rights, leasehold land & buildings and certain property, plant & equipment that are stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standards (“MFRS”) 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 year ended 31 December 2016.

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 2016, except for the mandatory adoption of the new MFRSs, amendments/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 2017.

The adoption of the amendments/improvements to MFRSs and new IC Int. do not have significant impact on the financial statements of the Group upon their initial application.

**2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report of the annual financial statements of the Group for the financial year ended 31 December 2016 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 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 except pursuant to the new Companies Act 2016 (the “Act”), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company’s share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,194,000 for purposes as set out in Sections 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

**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 current quarter under review except for allotment of 24,461,640 new ordinary shares at RM0.415 each on 17 May 2017 and followed by a second allotment of 24,461,560 new ordinary shares at RM0.405 each on 25 May 2017, both through private placement to independent third party investors. The new shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 19 May 2017 and 29 May 2017 respectively. With the above two allotment of shares, the issued share capital of the Company now comprised 538,630,294 ordinary shares, equivalent to RM264,912,060 and total gross proceeds raised was RM20,058,512.

## 7. Dividends Paid

There was no dividend paid during the current quarter ended 30 June 2017 (30 June 2016: 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 follow:

Business Activity	Current Quarter				Cumulative Quarter			
	3 months ended				6 months ended			
	30/06/2017		30/06/2016		30/06/2017		30/06/2016	
	Revenue	Profit/(Loss) Before Taxation	Revenue	Profit/(Loss) Before Taxation	Revenue	Profit/(Loss) Before Taxation	Revenue	Profit/(Loss) Before Taxation
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
• Property	24,126	(2,097)	6,467	(354)	34,139	(2,795)	9,571	(777)
• Industrial supplies	2,116	108	3,165	174	4,605	352	5,558	305
• Investment holding	-	(3,448)	-	(1,802)	-	(5,966)	-	(3,838)
• Others	-	(545)	-	(543)	-	(1,095)	-	(1,095)
	<b>26,243</b>	<b>(5,982)</b>	<b>9,632</b>	<b>(2,525)</b>	<b>38,744</b>	<b>(9,504)</b>	<b>15,129</b>	<b>(5,405)</b>
Finance costs	-	(198)	-	(446)	-	(369)	-	(489)
	<b>26,243</b>	<b>(6,180)</b>	<b>9,632</b>	<b>(2,971)</b>	<b>38,744</b>	<b>(9,873)</b>	<b>15,129</b>	<b>(5,894)</b>

## 9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 2016 except for the revaluation of its property situated at Pulau Indah, Klang, Selangor Darul Ehsan held under Property, Plant and Equipment where the Group undertook a revaluation during the 1<sup>st</sup> Quarter ended 31 March 2017 to reflect the latest market value of the non-current assets of the Group in the Financial Statements of the Group as this property will be utilized for the Group's power plant business as disclosed in further details hereinbelow under Note 19(A). The revaluation has resulted in a net revaluation surplus of RM56.6 million and the same has been recognized directly in equity as revaluation surplus and appearing in this Financial Statements of the current reporting cumulative quarter.



**10. Subsequent Material Events**

There were no material events subsequent to the end of the current financial 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 progress of the Corporate Proposals as disclosed hereinbelow under Notes 19(A) and 19(B).

**11. Changes in Composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review.

**12. Changes in Contingent Liabilities and Contingent Assets**

There were no additional contingent liabilities or contingent assets since 31 December 2016 till the date of announcement of this quarterly report.

**13. Capital Commitments**

The material authorised capital commitments not provided for in the interim financial statements as at 30 June 2017 comprise as below :-

	RM'000
Capital expenditure commitments not provided for	
- Authorised and contracted for	7,547
- Authorised and not contracted for	14,908
	<u>22,455</u>

**14. Significant Related Party Transactions**

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

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

### 15. Review of Performance

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

in RM'000	Current Quarter		Inc/(Dec) %	Preceding Quarter	Inc/(Dec) %	Cumulative Quarter		Inc/(Dec) %
	30/6/2017	30/6/2016				30/6/2017	30/6/2016	
<b>Revenue</b>								
• Property	24,126	6,467	273%	10,013	141%	34,139	9,571	257%
• Industrial supplies	2,116	3,165	-33%	2,489	-15%	4,605	5,558	-17%
	<b>26,243</b>	<b>9,632</b>	<b>172%</b>	<b>12,502</b>	<b>110%</b>	<b>38,744</b>	<b>15,129</b>	<b>156%</b>
<b>Profit/(Loss) before tax</b>								
• Property	(2,097)	(354)	492%	(698)	200%	(2,795)	(777)	260%
• Industrial supplies	108	174	-38%	244	-56%	352	305	15%
• Investment holding	(3,448)	(1,802)	91%	(2,518)	37%	(5,966)	(3,838)	55%
• Others	(545)	(543)	0%	(550)	-1%	(1,095)	(1,095)	0%
	<b>(5,982)</b>	<b>(2,525)</b>	<b>137%</b>	<b>(3,522)</b>	<b>70%</b>	<b>(9,504)</b>	<b>(5,405)</b>	<b>76%</b>
Finance costs	(198)	(446)	-56%	(171)	16%	(369)	(489)	-25%
	<b>(6,180)</b>	<b>(2,971)</b>	<b>108%</b>	<b>(3,693)</b>	<b>67%</b>	<b>(9,873)</b>	<b>(5,894)</b>	<b>68%</b>

#### Review on Performance - Current Quarter compared to Corresponding Quarter

The Group's revenue for 2Q2017 increased 273% to RM26.2 million from RM9.6 million in 2Q2016. This was mainly attributed to the higher percentage completion achieved of 14% vis-a-vis 4% for Phase 1 and 8% vis-a-vis 5% for Phase 2A of the property development projects in Ganggarak, Labuan FT. During the quarter, the Group also commenced recognition of revenue from the newly launched Mizumi Residences condominium project in Taman Metropolitan Kepong. Despite higher revenue achieved in current financial quarter, the loss before tax for the current quarter was 108% higher as compared to the preceding year corresponding quarter. It was mainly due to marketing expenses of RM3.7 million incurred in the selling of the Mizumi Residences and initial expenditures incurred by the Energy Business segment amounting to RM2.3 million. Up to end of this 2Q2017, Mizumi Residences achieved approximately 80% take up rate on two out of the three blocks that have been made available to the market.

#### Review on Performance - Current Quarter compared to Preceding Quarter

The Group's revenue for the current quarter increased to RM26.2 million compared to RM12.5 million in the preceding quarter. Apart from the commencement of revenue recognition from the sales of Mizumi Residences condominium at Taman Metropolitan, Kepong in the current quarter, higher revenue was registered from its affordable homes at Ganggarak, Labuan FT due to higher percentage completion achieved. However, higher losses were recorded for the investment holding segment due mainly to the initial cost incurred by the Energy Business segment whilst the higher losses of the Property Business segment was attributable to the marketing expenses of RM3.7 million incurred in the selling of the Mizumi Residences.

**16. Prospects**

The property market is expected to be challenging in the remaining period of year 2017, on the premise of the challenging economic and financial environment both on the local and global front and also various new launches of property development projects. Though property market may see slowdown in market activity, the impact of the slowdown would be manageable, as the market fundamentals remain sound and stable. Residential market would remain the focus of our Group, particularly the affordable segment.

Despite the challenging property market condition, the Group newly launched property development project known as MIZUMI RESIDENCES where two out of the three blocks of condominiums made available in the market place have seen encouraging responses. As of the end of the 2<sup>nd</sup> Quarter, approximately 80% of the available units have been taken up. The 3<sup>rd</sup> block will be released in the 3<sup>rd</sup> quarter of 2017. This Mizumi Residences project is expected to contribute positively to the earnings of the Group for the next few financial years vis-a-vis the current financial year as the Group is required to recognize in the Income Statement the substantial marketing cost that is expected to incur.

Meanwhile, the Energy Business segment is progressing in line with its plan following the recent fulfillment of the submission requirements to the Energy Commission before the due date of 1 August 2017. However, contribution from this business segment is only expected to kick in during year 2022/2023.

Barring unforeseen circumstances, the Board expects the Group to register losses in the current financial year considering the start up costs to be incurred by the Energy Business segment and that the revenue from the property development project known as MIZUMI RESIDENCES (low percentage completion envisaged with the initial commencement of the works at the project site) is impacted by substantial marketing cost that is expected to incur in the launching of the property development project. The Group is expected to generate profits and sustainable income from year 2018 and onwards, due to much higher Revenue to be recognized in line with higher percentage completion which the Group expects to achieve.

**17. Profit Forecast and Profit Guarantee**

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

**18. Taxation**

Taxation comprises the following:

	Current Quarter (3 months ended)		Cumulative Quarter (6 months ended)	
	30/06/2017 RM'000	30/06/2016 RM'000	30/06/2017 RM'000	30/06/2016 RM'000
Current tax:				
Malaysian income tax	24	-	77	-
		-		-
Under/ (Over) provision of Malaysian income tax in prior years	-	-	-	-
		-		-
Deferred tax	(256)	148	(336)	297
Total income tax expense	(232)	148	(259)	297

Included in the income tax figure for the quarter ended 30 June 2017 are the net adjustment for deferred tax charges in respect of amortization of prepaid land lease payment with cultivation rights, prepaid land lease payment and temporary timing difference.

**19. Corporate Proposals**Status of Corporate Proposals Announced but Not Completed(A) Letter of Award for the Development of 1,000MW – 1,200MW Combined Cycle Gas-Fired Power Plant in Pulau Indah

On 3 August 2016, the Company announced that it has received a Letter of Award dated 2 August 2016 from the Government of Malaysia, through the Energy Commission (“EC”) for the development of a new 1,000 MW combined cycle gas-fired power plant which will be situated on the Group’s existing land in Pulau Indah, Selangor Darul Ehsan (“the Project”). On 14 October 2016, the EC had approved the Company’s application to increase the capacity of the Project to 1,000MW - 1,200MW.

On 28 July 2017, the Company announced that it has on 27 July 2017 fulfilled the following submissions requirements as stipulated in EC’s conditional Letter of Award before the due date of 1 August 2017:

- i) A detailed project Feasibility;
- ii) Proof of Land Ownership; and
- iii) A Banker’s cheque for a value of RM10 million, in place of the Commitment Bond, renewable on a 6-monthly basis till 31 December 2018.

None of the directors and/or major shareholders of the Company and/or persons connected to the directors and/or major shareholders of the Company have any interest, direct or indirect, in the Project.

The Company will release the appropriate announcement as and when there are material developments in relation to the Project.

*(B) Proposed Rights Issue with Warrants*

On 7 December 2016, the Company announced that it proposed to undertake a renounceable rights issue of up to 219,341,357 new ordinary shares of in Tadmax (“Rights Shares”) together with up to 383,847,374 free detachable warrants (“Warrants”) on the basis of two (2) Rights Shares for every five (5) existing Tadmax Share together with seven (7) Warrants for every four (4) Rights Shares subscribed at an entitlement date and at an issue price to be determined later (“Proposed Rights Issue with Warrants”).

Bursa Malaysia Securities Berhad had vide its letter of 30 March 2017 approved in-principle [1] the listing and quotation of the Rights Shares, [2] the admission to the Official List and the listing of the Warrants to be issued and [3] the listing of new Tadmax Shares to be issued pursuant to the exercise of the Warrants, and further subject to the conditions as stated in the Circular to Shareholders dated 17 April 2017. The shareholders of the Company approved the Proposed Rights Issue with Warrants at the Extraordinary General Meeting held on 16 May 2017.

On 22 May 2017, the Company announced that it has fixed the issue price for the Rights Shares at RM0.40 per Right Share whilst the exercise price of the Warrants at RM0.40 per Warrant for the first four years of issuance and RM0.50 per Warrant from the end of the fourth anniversary of the issue date up to the maturity date of the Warrants.

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposed Rights Issue with Warrants is expected to be completed in the second half of 2017.

*(C) Status of Utilisation of Proceeds arising from Private Placement*

Utilisation of gross proceeds raised from the private placement completed on 29 May 2017 is set out below :-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation 30 June 2017 (RM'000)	Unutilised proceeds channelled to (RM'000)	Balance (RM'000)	Intended timeframe for utilisation
1) Power plant project costs	12,500	1,527	-	10,973	Within 9 months
2) Property development costs	7,258	-	127	7,385	Within 12 months
3) Estimated expenses for the Private Placement	300	173	(127)	-	Within 1 month
	20,058	1,700	-	18,358	

**20. Group Borrowings and Debts Securities**

Group borrowings are as follows:-

	<b>As at 30/06/2017 RM'000</b>	<b>As at 30/06/2016 RM'000</b>
(a) Current borrowings – secured		
Term loan	17,500	20,000
Bridging Loan	6,973	4,739
Hire purchase payable	772	580
	<u>25,245</u>	<u>25,319</u>
(b) Non-current borrowings – secured		
Hire purchase payable	652	666
Bridging Loan	23,427	-
	<u>24,079</u>	<u>666</u>

All the Group borrowing are denominated in Malaysian currency. Term loan reduced following repayment and this is equivalent to interests savings of approximately RM0.2 million per annum. The increase in Bridging Loans by approximately RM25.7 million was utilised towards financing the Group's property development projects, Ganggarak Permai at Federal Territory of Labuan and Mizumi Residences at Taman Metropolitan, Kepong in Wilayah Persekutuan Kuala Lumpur. The above loans bear interest rate of 6.96% to 8.5% per annum.

**21. Financial Instruments****(a) Derivatives**

There were no outstanding derivatives as at 30 June 2017.

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

There are no gain/(loss) arising from fair value changes in financial assets and liabilities during the quarter ended 30 June 2017.

**22. Material Litigation**

There was no other material litigation pending as at 23 August 2017 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

**23. Dividend Payable**

No interim ordinary dividend has been declared for the financial period ended 30 June 2017 (30 June 2016: Nil).

**24. Earnings/(Loss) Per Share**

## a) Basic Earnings/(Loss) Per Share

	<b>Current Quarter 30/06/2017</b>	<b>Cumulative Quarter 30/06/2017</b>
Loss for the financial period attributable to equity holders of the Company (RM'000)	5,902	9,522
Weighted average number of ordinary shares in issue ('000)	511,275	500,315
Basic earnings/(loss) per share (sen)	(1.15)	(1.90)

**25. Realised and Unrealised Profit/(Losses)**

	<b>As at 30/06/2017 RM'000</b>	<b>As at 30/06/2016 RM'000</b>
Total retained earnings of Company and its subsidiaries:		
- Realised	(6,524)	10,927
- Unrealised	605	603
Total Group retained (losses) /earnings	(5,919)	11,530

**26. Additional disclosures for Profit/(Loss) for the period**

	<b>Current Quarter 30/06/2017 RM'000</b>	<b>Cumulative Quarter 30/06/2017 RM'000</b>
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Interest income	162	179
<i>and after charging:-</i>		
Interest expense	198	369
Rental of property	73	147
Depreciation of property, plant and equipment	699	1,166
Amortisation of prepaid land lease payments	23	46
Amortisation of prepaid land lease payments with cultivation rights	493	986

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 current quarter and financial year ended 30 June 2017.

**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 on 29 August 2017.