

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2017

(The figures have not been audited)

	3rd Quarter 3 months ended		Cumulative to Date 9 months ended	
	30/09/2017 RM'000	30/09/2016 RM'000	30/09/2017 RM'000	30/09/2016 RM'000
Continuing Operations				
Revenue	25,764	13,609	64,508	28,738
Cost of sales	<u>(34,909)</u>	<u>(12,323)</u>	<u>(69,169)</u>	<u>(25,958)</u>
Gross (loss) / profit	(9,145)	1,286	(4,661)	2,780
Other operating income/(expenses)	157	118	491	440
Operating expenses	<u>(10,135)</u>	<u>(4,212)</u>	<u>(24,457)</u>	<u>(11,433)</u>
Operating loss	<u>(19,123)</u>	<u>(2,808)</u>	<u>(28,627)</u>	<u>(8,213)</u>
Finance costs	<u>(154)</u>	<u>(456)</u>	<u>(523)</u>	<u>(945)</u>
Loss before taxation	<u>(19,277)</u>	<u>(3,264)</u>	<u>(29,150)</u>	<u>(9,158)</u>
Taxation	<u>(801)</u>	<u>(234)</u>	<u>(542)</u>	<u>(531)</u>
Net loss from continuing operations	<u>(20,078)</u>	<u>(3,498)</u>	<u>(29,692)</u>	<u>(9,689)</u>
Discontinuing operations	-	-	-	-
Net loss for the financial period	<u>(20,078)</u>	<u>(3,498)</u>	<u>(29,692)</u>	<u>(9,689)</u>
Other comprehensive income/(loss), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	210	(225)	498	(171)
Items that will not be reclassified subsequently to profit or loss				
Revaluation of property	-	-	56,611	-
Total comprehensive (loss)/profit for the period	<u>(19,868)</u>	<u>(3,723)</u>	<u>27,417</u>	<u>(9,860)</u>
Net loss attributable to :				
Owners of the Company	(20,032)	(3,639)	(29,554)	(9,480)
Non-controlling interests	<u>(46)</u>	<u>141</u>	<u>(138)</u>	<u>(209)</u>
	<u>(20,078)</u>	<u>(3,498)</u>	<u>(29,692)</u>	<u>(9,689)</u>
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(19,822)	(3,864)	27,555	(9,651)
Non-controlling interests	<u>(46)</u>	<u>141</u>	<u>(138)</u>	<u>(209)</u>
	<u>(19,868)</u>	<u>(3,723)</u>	<u>27,417</u>	<u>(9,860)</u>
Basic loss per ordinary share (sen)				
- from continuing operations	(3.73)	(0.71)	(5.79)	(2.09)
- from discontinuing operations	-	-	-	-
	<u>(3.73)</u>	<u>(0.71)</u>	<u>(5.79)</u>	<u>(2.09)</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 SEPTEMBER 2017

	(UNAUDITED) As At End Of Current Quarter 30/09/2017 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	119,326	41,251
Prepaid land lease payments	2,190	2,259
Prepaid land lease payments with cultivation rights	57,664	59,143
Investment in joint venture	-	14
Other investment	50	50
Timber concession rights	218,000	218,000
Land and development expenditure	17,256	8,165
Deferred tax assets	415	589
	414,901	329,471
Current assets		
Inventories	426	1,049
Land and development expenditure	82,641	90,841
Progress billing	14,370	1,427
Trade receivables	4,834	8,019
Other receivables, deposits and prepayments	39,756	33,732
Tax recoverable	-	1,067
Deposits placed with licensed banks	95	30
Cash and bank balances	9,756	9,611
	151,878	145,776
TOTAL ASSETS	566,779	475,247
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	266,106	244,854
Share premium	-	1,367
Share option reserve	352	352
Treasury shares	(155)	(155)
Reserves:		
- translation reserve	907	409
- Revaluation reserve	56,611	-
- (Accumulated losses)/Retained profits	(25,951)	3,603
Shareholders' funds	297,870	250,430
Non-controlling interests	27,771	27,909
Total equity	325,641	278,339

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

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30/09/2017 RM'000	As At Preceding Financial Year End 31/12/2016 RM'000
Non-current liabilities		
Deferred tax liabilities	100,061	82,999
Hire purchase liabilities	554	998
Bank borrowings	-	15,675
	100,615	99,672
Current liabilities		
Trade payables	16,702	18,079
Other payables, deposits and accruals	53,262	49,095
Amount due to customers on contract	2,052	788
Amount due to directors	14,974	2,792
Hire purchase liabilities	662	869
Bank borrowings	52,785	25,457
Tax payables	86	156
	140,523	97,236
TOTAL LIABILITIES	241,138	196,908
TOTAL EQUITY AND LIABILITIES	566,779	475,247
	-	-
Net assets per share attributable to ordinary equity holders of the Company (sen)	55	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 SEPTEMBER 2017

(The figures have not been audited)

	←-----Attributable to owners of the Company-----→					-----→	Total	Non-controlling	Total
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Share Option Reserve RM'000	Other Reserves RM'000				
<u>9 months ended 30 September 2017</u>									
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	-	-	-	-	-	(29,554)	(29,554)	(138)	(29,692)
Issuance of shares pursuant to private placement / Expenses incurred	20,058	(173)	-	-	-	-	19,885	-	19,885
Revaluation of property	-	-	-	-	56,611	-	56,611	-	56,611
Exchange differences on translation of foreign entities	-	-	-	-	498	-	498	-	498
Transition to no-par value regime on 31 January 2017 ^	1,194	(1,194)	-	-	-	-	-	-	-
As at 30 September 2017	<u>266,106</u>	<u>-</u>	<u>(155)</u>	<u>352</u>	<u>57,518</u>	<u>(25,951)</u>	<u>297,870</u>	<u>27,771</u>	<u>325,641</u>
<u>9 months ended 30 September 2016</u>									
As at 1 January 2016	222,616	1,367	(155)	-	866	39,609	264,303	28,179	292,482
Total comprehensive loss for the period	-	-	-	-	-	(9,480)	(9,480)	(209)	(9,689)
Bonus Issue	22,238	-	-	-	-	(22,238)	-	-	-
Exchange differences on translation of foreign entities	-	-	-	-	(171)	-	(171)	-	(171)
As at 30 September 2016	<u>244,854</u>	<u>1,367</u>	<u>(155)</u>	<u>-</u>	<u>695</u>	<u>7,891</u>	<u>254,652</u>	<u>27,970</u>	<u>282,622</u>

^ 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 SEPTEMBER 2017
(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current	Preceding Year
	Quarter	Corresponding
	30/09/2017	Quarter
	RM'000	30/09/2016
		RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(29,150)	(9,158)
<u>Adjustments for non-cash items:</u>		
Amortisation of prepaid land lease payments:	70	70
Amortisation of prepaid land lease payments with cultivation rights	1,479	1,479
Allowance for Foreseeable Loss	1,112	-
Depreciation	1,867	1,442
Interest expense	523	945
Interest income	(198)	(270)
Gain on disposal of plant and equipment	-	(56)
Gift of club membership to outgoing Director	-	50
Operating loss before working capital changes	(24,298)	(5,498)
<u>Changes in working capital:</u>		
Inventories	623	133
Progress Billing	(14,055)	-
Contract customers	1,265	663
Land and Development expenditure	1,428	(1,327)
Receivables	(2,839)	(1,222)
Payables	2,790	34,898
Cash (used in)/generated from operations	(35,087)	27,647
Interest received	198	270
Interest paid	(2,842)	(945)
Net of tax paid	(216)	16
Net cash (used in)/generated from operating activities	(37,947)	26,988
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,453)	(891)
Proceeds from disposal of plant & equipment	-	212
Subscription of shares in a new subsidiary, net of cash and cash equivalent	-	(41,982)
Proceeds from issuance of shares pursuant to private placement	20,058	-
Proceeds on disposal of investment in joint venture	14	-
Net cash from/(used in) investing activities	14,619	(42,661)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from/(Repayment to) directors	12,182	(217)
Share Issuance Cost	(173)	-
Drawn down of bank borrowings	30,494	27,727
Repayment of bank borrowings	(18,842)	(2,645)
Repayment of hire purchase liabilities	(651)	(567)
Net cash from financing activities	23,010	24,298
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(318)	8,625
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	528	(171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	9,611	5,615
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	9,821	14,069
	(0)	-

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

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

	As at	As at
	30/09/2017	30/09/2016
	RM'000	RM'000
Deposits placement with licensed banks	95	7,329
Cash and bank balances	9,756	6,770
	9,851	14,099
Less: Deposit pledged with bank as security for banking facilities	(30)	(30)
	9,821	14,069

(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 September 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.

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. During the 2nd quarter, 24,461,640 new ordinary shares were allotted 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 September 2017 (30 September 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:

	Current Quarter				Cumulative Quarter			
	3 months ended				9 months ended			
	30/09/2017		30/09/2016		30/09/2017		30/09/2016	
		Profit/(Loss)		Profit/(Loss)		Profit/(Loss)		Profit/(Loss)
Business	Before		Before		Before		Before	
Activity	Revenue	Taxation	Revenue	Taxation	Revenue	Taxation	Revenue	Taxation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
• Property	23,601	(19,414)	9,764	(921)	57,740	(22,209)	19,335	(1,698)
• Industrial								
supplies	2,163	194	3,845	437	6,768	546	9,403	742
• Energy	-	2,083	-	(267)	-	(1,329)	-	(502)
• Investment								
holding	-	(1,443)	-	(1,509)	-	(3,997)	-	(5,112)
• Others	-	(543)	-	(548)	-	(1,638)	-	(1,643)
	25,764	(19,123)	13,609	(2,808)	64,508	(28,627)	28,738	(8,213)
Finance costs	-	(154)	-	(456)	-	(523)	-	(945)
	25,764	(19,277)	13,609	(3,264)	64,508	(29,150)	28,738	(9,158)

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 1st 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 September 2017 comprise as below :-

	RM'000
Capital expenditure commitments not provided for	
- Authorised and contracted for	6,436
- Authorised and not contracted for	14,829
	21,265

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) %
	30/9/2017	30/9/2016				30/9/2017	30/9/2016	
Revenue								
• Property	23,601	9,764	142%	24,126	-2%	57,740	19,335	199%
• Industrial supplies	2,163	3,845	-44%	2,117	2%	6,768	9,403	-28%
	25,764	13,609	89%	26,243	-2%	64,508	28,738	124%
Profit/(Loss) before tax								
• Property	(19,414)	(921)	2008%	(2,097)	826%	(22,209)	(1,698)	1208%
• Industrial supplies	194	437	-56%	108	80%	546	742	-26%
• Energy	2,083	(267)	-880%	(2,301)	-	(1,329)	(502)	165%
• Investment holding	(1,443)	(1,509)	-4%	(1,147)	26%	(3,997)	(5,112)	-22%
• Others	(543)	(548)	-1%	(545)	0%	(1,638)	(1,643)	0%
	(19,123)	(2,808)	581%	(5,982)	220%	(28,627)	(8,213)	249%
Finance costs	(154)	(456)	-66%	(198)	-22%	(523)	(945)	-45%
	(19,277)	(3,264)	491%	(6,180)	212%	(29,150)	(9,158)	218%

Review on Performance - Current Quarter compared to Corresponding Quarter

a) Overall review of Group performance

The Group's revenue for 3Q2017 increased 89% to RM25.8 million from RM13.6 million in 3Q2016. This was mainly attributed to the higher percentage completion achieved of 10.3% vis-a-vis 8% for Phase 1 and 13.5% vis-a-vis 4% for Phase 2A of the property development projects in Ganggarak, Labuan FT. During the quarter, Mizumi Residences condominium project in Metropolitan Kepong recognised revenue of RM7.5 million which project was yet to launch in 3Q2016. Despite higher revenue achieved in current financial quarter, the loss before tax for the current quarter was higher compared to the preceding year corresponding quarter. It was mainly due to the one-off recognition of foreseeable losses of RM11.9 million for the Group's affordable housing project in Ganggarak, Labuan comprising mainly infrastructure costs following the Group's recent decision to defer indefinitely the launching of its certain phases in view of the soft property market in Labuan FT. Also a one-off marketing expenses of RM8.6 million incurred in the selling of the Mizumi Residences and set off by the capitalisation of expenses of RM2.62 million as Power Plant's Property Plant and Equipment which was expensed off into the Income Statement during the 1st and 2nd quarter of 2017.

b) **Segmental Review**• **Property**

This business segment comprise two property development projects in Ganggarak, Labuan FT and in Taman Metropolitan, Kepong, Kuala Lumpur. The summary of performance and progress are as below :-

	<u>Ganggarak Labuan</u>	<u>Taman Metropolitan, Kepong</u>
Name of project	Ganggarak Permai	Mizumi Residences
Gross property sale ('000)	RM135,399	RM369,708
Unbilled sales ('000)	RM57,101	RM353,512
Percentage completion	Phase 1 – 69.9% (2016 : 26.4%) Phase 2A – 37.3% (2016 : 9.2%)	4.4% (2016 : nil)
Operating loss ('000)	RM11,843	RM7,568

The operating loss of RM11.84 million for Ganggarak Permai was due mainly to the one-off recognition of foreseeable losses of RM11.9 million comprising mainly infrastructure costs following the Group's recent decision to defer indefinitely the launching of its certain phases in view of the soft property market in Labuan FT.

However, the operating loss of RM7.57 million for Mizumi Residences was due mainly to the recognition of one-off marketing expenses of RM8.6 million incurred in the selling of the Mizumi Residences. Presently, the project is undertaking piling works and is expected to complete by 2nd quarter of year 2018.

• **Energy**

A new business segment following the receipt of a conditional letter of award dated 2 August 2016 from the Government of Malaysia, through the Energy Commission. This project is only expected to commission in year 2023 and the cost incurred to date until 3Q2017 totals RM6.6 million of which a sum of RM1.3 million was expensed off to the Income Statement whilst the balance RM5.3 million was capitalized as Power Plant's Property Plant and Equipment. The expenses incurred to date comprise mainly payment to consultants in undertaking a detailed feasibility study of the project.

Review on Performance - Current Quarter compared to Preceding Quarter

The Group's revenue for the current quarter decreased slightly to RM25.8 million compared to RM26.2 million in the preceding quarter due to lower percentage completion of 10.3% vis-a-vis 13.9% for Phase 1 in the preceding quarter, and partially set-off by higher percentage completion for Phase 2 at 13.5% vs 7.3%. Higher losses by RM13.1 mil was due mainly to the recognition of foreseeable losses of RM11.9 million in the current quarter for its Ganggarak Project and higher marketing cost incurred of RM5.2 million for its newly launched Mizumi Residence, set off by capitalisation of expenses of RM2.62 million as Power Plant's Property Plant and Equipment which was expensed off into the Income Statement during the 1st and 2nd quarter of 2017.

16. Prospects

The local property market is expected to remain challenging in the coming remaining period of financial year ending 31 December 2017 on the back of continued stringent mortgage approval and headwinds remain from new launches by other property developers coupled with increasing affordable housing schemes being made available in the market. Though the property market may see a slowdown in activities, the Group is confident that its impact will be manageable, as the Group focuses on affordable housing and has its project located in a good location.

The Group recently launched property development project known as MIZUMI RESIDENCES, comprising 3 tower blocks, has seen encouraging responses. As of the end of the 3Q2017, more than two-thirds of the available units have been taken up. Mizumi Residences project is expected to contribute positively to the earnings of the Group for the financial year ending 31 December 2018 whilst in the current financial year would be registering a loss due to the need to recognize in the Income Statement the substantial one-off marketing cost that it forecasted to incur to the tune of RM18.1 million for the financial year ended 31 December 2017.

Meanwhile, the Energy Business segment is progressing ahead of the timeline and the next submission to the Energy Commission is targeted in mid-2018 comprising technical and commercial proposal whilst construction earmarked sometime in mid-2019. With the Company inking on 10 November 2017 of a Joint Development Agreement (“JDA”) with Korea Electric Power Corporation (“KEPCO”), a major international power utility company and South Korea’s largest state-owned public utility company, the Group would receive all the required technical support in greatly enhancing its submission of aforementioned technical and commercial proposal, in undertaking financial close and subsequent implementation of its power plant project. However, contribution from this business segment is only expected to kick in during year 2023.

On the back of the foregoing paragraphs, the Board expects the Group to register losses in the current financial year and as for expected results in the final quarter of 2017, the Group expects to register much lower losses vis-à-vis the losses reported in the current quarter as no foreseeable losses expected. The Group is expected to generate profits for the financial year ending 31 December 2018, fueled by much higher revenue from Mizumi Residences that the Group expects to recognize in line with expected higher percentage of completion and percentage of units sold.

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)	
	30/09/2017 RM'000	30/09/2016 RM'000	30/09/2017 RM'000	30/09/2016 RM'000
Current tax:				
Malaysian income tax	72	78	149	78
Under/ (Over) provision of Malaysian income tax in prior years	1,064	-	1,064	-
	<u>1,136</u>	<u>78</u>	<u>1,213</u>	<u>78</u>
Deferred tax	(335)	156	(671)	453
Total income tax expense	<u>801</u>	<u>234</u>	<u>542</u>	<u>531</u>

Included in the income tax figure for the quarter ended 30 September 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.

On 10 November 2017, the Company announced the entering into a Joint Development Agreement (“JDA”) with Korea Electric Power Corporation as the equity and technical partner in compliance to the EC’s requirements for the Project. The JDA may lead to a Shareholders’ Agreement between the parties and is subject to the approval of the EC.

(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.

On 27 September 2017, on application by the Company, Bursa Securities had resolved to grant Tadmax an extension of time until 30 March 2018 to complete the Rights Issue with Warrants.

However, upon further deliberation by the Board, the Company has resolved to terminate the Rights Issue with Warrants in view that the Vendors of Wawasan Metro Bina Sdn Bhd (“WMB”) (where the Company acquired the remaining 45% equity interests in WMB) have on 23 November 2017 entered into a settlement agreement for the final settlement to be settled through the issuance of shares of the Company. Further, the Board has approved an alternative means of fund raising in lieu of the Rights Issue with Warrants. An announcement on the abovementioned settlement agreement and the alternative means of fund raising will be released separately.

(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 :-

		Initial Proposed Allocation (RM'000)	Revised Allocation (RM'000)	Actual Utilisation to 30 Sept 2017 (RM'000)	Unutilised proceeds chanelled to (RM'000)	Balance (RM'000)	Revised timeframe for utilisation
	<u>Purpose</u>						
1)	Power plant project costs	12,500	17,000	14,494	-	2,506	Within 9 months
2)	Property development costs	7,258	2,758	950	127	1,935	Within 9 months (previously 12 months)
3)	Estimated expenses for the Private Placement	300	300	173	(127)	-	Within 1 month
		20,058	20,058	15,617	-	4,441	

Variation in the allocation on the Utilisation of Proceeds arising from Private Placement

With reference to the announcement to Bursa Malaysia on 15 November 2016, an allocation of RM12.5 million was made for the power plant project costs to partially finance the estimated expenses for the appointment of the relevant professionals to implement a detailed feasibility study of the whole project development, inclusive of geotechnical, topographical, bathymetric, hydrologic studies and environmental and social impact assessment.

The advance stage of development of the power plant project necessitates a higher allocation from the total proceeds of the Private Placement by RM4.5 million, henceforth Tadmax has increased the initial allocation from RM12.5 million to now RM17.0 million. The above higher allocation has resulted in a corresponding reduction of RM4.5 million of the amount earmarked for the property development cost, resulting in the reduction in the initial allocation from RM7.26 million to RM2.76 million as depicted in the above table. The shorter revised timeframe for utilisation of the property development cost following the reduced allocated amount.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/09/2017 RM'000	As at 30/09/2016 RM'000
(a) Current borrowings – secured		
Term loan	44,594	20,000
Bridging Loan	8,190	6,582
Hire purchase payable	662	727
	<u>53,446</u>	<u>27,309</u>
(b) Non-current borrowings – secured		
Hire purchase payable	554	824
	<u>554</u>	<u>824</u>

All the Group borrowing are denominated in Malaysian currency and are secured. Term loan increased by RM24.6 million as compared to corresponding period as the loan was applied towards financing the Group's property development projects, Mizumi Residences at Taman Metropolitan, Kepong in Wilayah Persekutuan Kuala Lumpur. The bridging loan was higher by RM1.6 million at RM8.19 million with the drawdown of financing for Phase 2A of the Group's property development project in Ganggarak, Labuan Federal Territory. 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 September 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 September 2017.

22. Material Litigation

There was no other material litigation pending as at 16 November 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 September 2017 (30 September 2016: Nil).

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

	Current Quarter 30/09/2017	Cumulative Quarter 30/09/2017
Loss for the financial period attributable to equity holders of the Company (RM'000)	(20,032)	(29,554)
Weighted average number of ordinary shares in issue ('000)	538,156	513,067
Basic loss per share (sen)	(3.72)	(5.76)

25. Realised and Unrealised Profit/(Losses)

	As at 30/09/2017 RM'000	As at 30/09/2016 RM'000
Total retained earnings of Company and its subsidiaries:		
- Realised	(26,841)	7,407
- Unrealised	890	484
Total Group retained (losses) /earnings	(25,951)	7,891

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

	Current Quarter 30/09/2017 RM'000	Cumulative Quarter 30/09/2017 RM'000
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Interest income	19	198
<i>and after charging:-</i>		
Interest expense	154	523
Rental of property	71	218
Depreciation of property, plant and equipment	495	1,661
Allowances for foreseeable loss	11,913	11,913
Amortisation of prepaid land lease payments	24	70
Amortisation of prepaid land lease payments with cultivation rights	493	1,479

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 September 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 23 November 2017.