

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

	1st Quarter 3 months ended		Cumulative to Date 3 months ended	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
Continuing Operations				
Revenue	32,980	12,501	32,980	12,501
Cost of sales	<u>(30,623)</u>	<u>(11,379)</u>	<u>(30,623)</u>	<u>(11,379)</u>
Gross profit	2,357	1,122	2,357	1,122
Other operating income	159	126	159	126
Operating expenses	<u>(5,075)</u>	<u>(4,770)</u>	<u>(5,075)</u>	<u>(4,770)</u>
Operating loss	<u>(2,559)</u>	<u>(3,522)</u>	<u>(2,559)</u>	<u>(3,522)</u>
Finance costs	<u>(87)</u>	<u>(171)</u>	<u>(87)</u>	<u>(171)</u>
Loss before taxation	<u>(2,646)</u>	<u>(3,693)</u>	<u>(2,646)</u>	<u>(3,693)</u>
Taxation	315	27	315	27
Net loss from continuing operations	<u>(2,331)</u>	<u>(3,666)</u>	<u>(2,331)</u>	<u>(3,666)</u>
Discontinuing operations	-	-	-	-
Net loss for the financial period	<u>(2,331)</u>	<u>(3,666)</u>	<u>(2,331)</u>	<u>(3,666)</u>
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	(351)	97	(351)	97
Items that will not be reclassified subsequently to profit or loss, net of tax				
- Revaluation of property, plant and equipment	-	56,611	-	56,611
Total comprehensive (loss)/profit for the period	<u>(2,682)</u>	<u>53,042</u>	<u>(2,682)</u>	<u>53,042</u>
Net loss attributable to :				
Owners of the Company	(2,287)	(3,620)	(2,287)	(3,620)
Non-controlling interests	<u>(44)</u>	<u>(46)</u>	<u>(44)</u>	<u>(46)</u>
	<u>(2,331)</u>	<u>(3,666)</u>	<u>(2,331)</u>	<u>(3,666)</u>
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(2,638)	53,088	(2,638)	53,088
Non-controlling interests	<u>(44)</u>	<u>(46)</u>	<u>(44)</u>	<u>(46)</u>
	<u>(2,682)</u>	<u>53,042</u>	<u>(2,682)</u>	<u>53,042</u>
Basic loss per ordinary share (sen)				
- from continuing operations	(0.42)	(0.75)	(0.42)	(0.75)
- from discontinuing operations	-	-	-	-
	<u>(0.42)</u>	<u>(0.75)</u>	<u>(0.42)</u>	<u>(0.75)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 31 MARCH 2018

	(UNAUDITED) As At End Of Current Quarter 31/03/2018 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	121,142	120,515
Prepaid land lease payments	2,143	2,167
Prepaid land lease payments with cultivation rights	56,679	57,171
Other investment	50	50
Timber concession rights	218,000	218,000
Land and development expenditure	14,383	14,179
Deferred tax assets	386	441
	412,783	412,523
Current assets		
Inventories	555	337
Land and development expenditure	87,749	88,098
Progress billing	34,592	34,256
Trade receivables	3,957	2,939
Amount due from customers on contract	-	1,963
Other receivables, deposits and prepayments	38,202	38,248
Tax recoverable	100	40
Deposits placed with licensed financial institutions	30	1,030
Other investment	102	1,598
Cash and bank balances	8,348	7,710
	173,635	176,219
TOTAL ASSETS	586,418	588,742
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	266,106	266,106
Share option reserve	352	352
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,559	1,208
- Revaluation reserve	56,611	56,611
- (Accumulated losses)/Retained profits	(32,360)	(30,073)
Shareholders' funds	292,113	294,049
Non-controlling interests	27,653	27,697
TOTAL EQUITY	319,766	321,746

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018 - continued

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 31/03/2018 RM'000	As At Preceding Financial Year End 31/12/2017 RM'000
Non-current liabilities		
Deferred tax liabilities	99,200	99,547
Finance lease liabilities	442	453
Bank borrowings	34,523	37,747
	134,165	137,747
Current liabilities		
Trade payables	19,541	23,602
Other payables, deposits and accruals	60,630	61,535
Amount due to customers on contract	5,578	-
Amount due to directors	15,234	15,234
Finance lease liabilities	457	529
Bank borrowings	31,008	28,287
Tax payables	39	62
	132,487	129,249
TOTAL LIABILITIES	266,652	266,996
TOTAL EQUITY AND LIABILITIES	586,418	588,742
Net assets per share attributable to ordinary equity holders of the Company (sen)	54	55

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 2017 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 31 MARCH 2018

(The figures have not been audited)

Attributable to owners of the Company

Non-Distributable

Distributable

Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Share Option Reserve RM'000	Other Reserves RM'000	Retained profits/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
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3 months ended 31 March 2018

As at 1 January 2018	266,106	-	(155)	352	57,819	(30,073)	294,049	27,697	321,746
Total comprehensive loss for the year	-	-	-	-	-	(2,287)	(2,287)	(44)	(2,331)
Exchange differences on translation of foreign entities	-	-	-	-	351	-	351	-	351
As at 31 March 2018	266,106	-	(155)	352	58,170	(32,360)	292,113	27,653	319,766

3 months ended 31 March 2017

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 year	-	-	-	-	-	(3,620)	(3,620)	(46)	(3,666)
Revaluation of Property	-	-	-	-	56,611	-	56,611	-	56,611
Exchange differences on translation of foreign entities	-	-	-	-	97	-	97	-	97
As at 31 March 2017	244,854	1,367	(155)	352	57,117	(17)	303,518	27,863	331,381

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 31 March 2018
(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter
	31/03/2018	31/03/2017
	RM'000	RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Loss before taxation	(2,646)	(3,693)
<u>Adjustments for non-cash items:</u>		
Amortisation of prepaid land lease payments	23	23
Amortisation of prepaid land lease payments with cultivation rights	493	493
Depreciation	707	467
Interest expense	87	171
Interest income	(40)	(17)
Gain on disposal of plant and equipment	(57)	-
Operating loss before working capital changes	(1,433)	(2,556)
<u>Changes in working capital:</u>		
Inventories	(218)	638
Progress billing	528	(5,925)
Contract customers	7,541	(787)
Land and development expenditure	482	(2,655)
Receivables	(977)	5,394
Payables	(4,961)	(3,689)
Cash generated/(used in) from operations	962	(9,580)
Interest received	40	17
Interest paid	(1,289)	(939)
Net of tax paid	(83)	(44)
Net cash (used in)/generated from operating activities	(370)	(10,546)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note 1)	(1,225)	(89)
Disposal of other investment	1,496	-
Proceeds from disposal of plant & equipment	57	-
Net cash from/(used in) investing activities	328	(89)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from directors	-	3,200
Drawn down of bank borrowings	14,322	13,958
Repayment of bank borrowings	(14,825)	(5,336)
Repayment of finance lease liabilities	(193)	(238)
Net cash (used in)/from financing activities	(696)	11,584
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(738)	949
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	376	99
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	8,710	9,611
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	8,348	10,659

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 - 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
	31/03/2018	31/03/2017
	RM'000	RM'000
Deposits placement with licensed financial institutions	30	40
Cash and bank balances	8,348	10,649
	8,378	10,689
Less: Deposit pledged with a licensed bank as security for banking facilities	(30)	(30)
	8,348	10,659
	-	

NOTE 1 - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of RM1,335,000 of which RM110,000 was acquired under hire purchase arrangements by the Group. Cash payment made by the Group for the acquisition of property, plant and equipment amounted to RM1,225,000.

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 31 March 2018

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 2017.

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 2017, 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 2018.

The adoption of the amendments/improvements to MFRSs and new IC Int. including the MFRS 9 *Financial Instruments* and MFRS 15 *Revenue from Contracts with Customers* 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 2017 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.

7. Dividends Paid

There was no dividend paid during the current quarter ended 31 March 2018 (31 December 2017: 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				3 months ended			
	31/3/2018		31/3/2017		31/3/2018		31/3/2017	
		Profit/(Loss)		Profit/(Loss)		Profit/(Loss)		Profit/(Loss)
Business	Before	Before	Before	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	31,611	(158)	10,013	(698)	31,611	(158)	10,013	(698)
• Industrial								
supplies	1,370	(22)	2,489	244	1,370	(22)	2,489	244
• Energy	-	(559)	-	(1,111)	-	(559)	-	(1,111)
• Investment								
holding	-	(1,274)	-	(1,407)	-	(1,274)	-	(1,407)
• Others	-	(546)	-	(550)	-	(546)	-	(550)
	32,981	(2,559)	12,501	(3,522)	32,981	(2,559)	12,501	(3,522)
Finance costs	-	(87)	-	(171)	-	(87)	-	(171)
	32,981	(2,646)	12,501	(3,693)	32,981	(2,646)	12,501	(3,693)

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 2017.

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) and that during the 2nd quarter of financial year 2018, on 3 April 2018, 47,222,221 and 90,277,777 new ordinary shares, all at issue price of RM0.36 each were allotted and issued pursuant to the Proposed Directors Capitalisation and Proposed Vendors Capitalisation respectively. The above newly issued shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 5 April 2018. With the above two allotment and issuance of shares, the issued share capital of the Company since 3 April 2018 comprised 676,130,292 ordinary shares (inclusive of 474,300 treasury shares), equivalent to RM315,605,629.

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 2017 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 31 March 2018 comprise as below :-

	RM'000
Capital expenditure commitments not provided for	
- Authorised and contracted for	1,674
- Authorised and not contracted for	16,219
	<u>17,893</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)
	31/03/2018	31/03/2017	%	31/12/2017	%	31/03/2018	31/03/2017	%
Revenue								
• Property	31,611	10,013	216%	33,372	-5%	31,611	10,013	216%
• Industrial supplies	1,370	2,489	-45%	2,003	-32%	1,370	2,489	-45%
	32,981	12,501	164%	35,375	-7%	32,981	12,501	164%
Profit/(Loss) before tax								
• Property	(158)	(698)	-77%	(704)	-78%	(158)	(698)	-77%
• Industrial supplies	(22)	244	-109%	(320)	-93%	(22)	244	-109%
• Energy	(559)	(1,111)	-50%	(829)	-33%	(559)	(1,111)	-50%
• Investment holding	(1,274)	(1,407)	-9%	(1,682)	-24%	(1,274)	(1,407)	-9%
• Others	(546)	(550)	-1%	(925)	-41%	(546)	(550)	-1%
	(2,559)	(3,522)	-27%	(4,460)	-43%	(2,559)	(3,522)	-27%
Finance costs	(87)	(171)	-49%	(298)	-71%	(87)	(171)	-49%
	(2,646)	(3,693)	-28%	(4,758)	-44%	(2,646)	(3,693)	-28%

Review on Performance - Current Quarter compared to Corresponding Quarter

a) Overall Review of Group performance

The Group's revenue was approximately 164% higher at RM33.0 million vis-a-vis the preceding corresponding quarter, contributed by the Property business segment which was in turn attributed to the higher percentage completion achieved. Phase 1 of the Group's Ganggarak Permai project achieved a higher percentage completion of 18.1% vis-a-vis 9.2% whilst Phase 2 achieved 13.7% vis-a-vis 4.3%. In terms of Revenue, Ganggarak Permai project in 1Q2018 reported RM23.1 mil vis-a-vis RM10.0 million in the preceding corresponding quarter. The Group's other development project, Mizumi Residences condominium project in Taman Metropolitan Kepong reported revenue contribution of RM8.5 million vis-a-vis RM nil in the preceding corresponding quarter as the project was launched in June 2017. The higher revenue resulted in the overall lower loss before tax for the current quarter, a reduction of losses by 28%. Energy sector also reported a lower loss of RM559k (vis-à-vis the preceding corresponding quarter of RM1,111k) as certain expenditure incurred in the development of the power plant has been capitalised.

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)	RM137,472	RM439,579
Unbilled sales ('000)	RM19,755	RM397,834
Percentage completion - year-to-date	Phase 1 98.92% (March 2018 : 80.9%) Phase 2A 62.37% (March 2018 : 48.7%)	9.5% (March 2018 : 8.0%)
Operating profit/(loss) ('000)	(RM393,000)	RM 293,000

Phase 1 and 2A of Ganggarak Permai are affordable homes project, where profit margin is low from these development. For the quarter, Ganggarak Permai has operating loss of RM0.39 million mainly due to overhead cost incurred. Profit contribution is expected from the revamped development plan of the remainder development where the Group has planned to initiate launch of affordable double-storey terrace houses and shop lots in the current financial year.

Mizumi Residences was launched in June 2017 and as at 31 March 2018, a total booking rate of 1,063 units was registered. The current quarter registered a low Operating Profit of RM293,000 due to the lower percentage completion achieved by the Group's Mizumi Residences which in turn was due to the cautious works progress in undertaking the casting of pile caps. In any event, the casting of pile caps is two months ahead of schedule and since March 2018 and that the development has advanced to the next phase into the construction of the podium of the main building.

Energy

During the current reporting quarter, the Group undertook the evaluation of the tender submissions made by the Engineering, Procurement, Construction and Commissioning contractors and will be followed by tender interviews. The cost incurred for the current quarter amounted to RM1.7 million (including depreciation of RM0.3 million) out of which, a sum of RM1.2 million was capitalised as Power Plant's property, plant and equipment.

Review on Performance - Current Quarter compared to Preceding Quarter

The Group's revenue for the current quarter was lower by 7% at RM33.0 million due mainly to the lower revenue registered by Mizumi Residences of RM8.5 million (vis-a-vis RM17.0 million in the preceding quarter), set off by the higher percentage completion of the Group's Ganggarak Permai Project which revenue was at RM23.1 million (vis-a-vis RM16.3 million in the preceding quarter). The slower percentage completion achieved by the Group's Mizumi Residences was due to the cautious works progress in undertaking the casting of pile caps. The overall Group losses before tax was lower at RM2.6 million (vis-a-vis losses of RM4.8 million) due mainly to the lower expenditures incurred in the current quarter comprising sales and marketing expenses by Mizumi Residences and

that the preceding quarter reported a foreign exchange translation loss of approximately RM0.6 million without a corresponding sum in the current quarter.

16. Prospects

The property development and construction segment will continue to be the mainstay of the Group's core operations as the Group's strategy is to ensure the long-term visibility of revenue.

Although it is anticipated that the challenging business conditions and competitive situation persist in the current financial year, but with the strong foundation for growth built over the recent years, the Group enters the financial year 2018 with full optimism. The current year will see our Phase 1 of Ganggarak Permai development in Labuan, FT achieve their first delivery. We also expect to see better results from the revamped development plan of the remainder development of Ganggarak Permai.

The Group believes that the mid-range and affordable homes will remain the favourite in the medium-term, driven by fundamental market dynamics. We have moved forward in accelerating our affordable and mid-range projects to accommodate the potential demand in this niche market in the near future. And whilst this business segment of the market will face strong competition from other players in the market, with our experience of operating in a predominantly affordable to mid-range market, we are positioned at an advantage in terms of expertise, quality of its products and timely delivery of its commitments.

By leveraging and capitalising the available resources, the Group is well positioned to continue to further tap into any potential value of its existing development projects in Kuala Lumpur and Labuan, FT vicinities. The Group has planned to initiate launch of affordable double-storey terrace houses and shop lots in Labuan, FT in the current financial year.

On the Energy business segment, it will not contribute to the near term profitability of the Group as it takes approximately four years before commercial operation commences.

In the current financial year, the Group has targeted to commence and complete the evaluation of the tender submissions made by the Engineering, Procurement, Construction and Commissioning ("EPCC") contractors, following which a complete technical and commercial proposal shall be submitted to the Energy Commission ("EC") in the middle of current financial year. Once the proposal and tariff are approved, a Letter of Award will be issued by the EC. The signing of various key agreements such as the Power Purchase Agreement, Gas Supply Agreement, Transmission Works Agreement, Gas Pipeline Works Agreement, EPCC contract and Long Term Service Agreement are expected to be completed sometime in the fourth quarter of the current financial year followed by financial close in the first quarter of the next financial year 2019.

On the Industrial Supplies business segment, with the anticipated flat construction market of the location in which the Group's ready-mixed concrete plant operates, the revenue growth potential in Labuan, FT will be challenging in the current financial year. This business segment will continue to support the ready-mixed concrete for its revamped development concept of the Group's Property Development and Construction business segment in Labuan, FT.

The Company is presently undertaking a corporate exercise (as elaborated under item 19(B) hereinbelow) which will provide the Group with additional cash flow for the Group's working capital requirements vide the Proposed Private Placement. This corporate exercise was approved by the shareholders of the Company during the Extraordinary General Meeting held on 23 February 2018 and is expected to complete in the first half of the current financial year.

On the back of the foregoing paragraphs, the Board expects the Group to generate profits for the financial year ending 31 December 2018, fueled by much higher revenue from Mizumi Residences that the Group expects to recognise 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 (3 months ended)	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
Current tax:				
Malaysian income tax	1	53	1	53
Under provision of Malaysian income tax in prior years	-	-	-	-
	<u>1</u>	<u>53</u>	<u>1</u>	<u>53</u>
Deferred tax	(316)	(80)	(316)	(80)
Total taxation	<u>(315)</u>	<u>(27)</u>	<u>(315)</u>	<u>(27)</u>

Included in the income tax figure for the quarter ended 31 March 2018 are the net adjustment for deferred tax charges in respect of amortisation of prepaid land lease payment with cultivation rights, prepaid land lease payment, depreciation of revalued property, plant and equipment and other 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.

In relation to the status of the Project vis-à-vis the indicative timeline, the Project is progressing slightly ahead of the timeline and the next submission to the EC is targeted in mid-2018 comprising the technical and commercial proposals whilst construction is earmarked sometime in mid-2019.

(B) The Proposals

On 23 November 2017, the Company announced that it proposed to undertake the following:-

- (i) proposed private placement of up to 20% of the Company's total number of issued shares (excluding treasury shares) to independent third party investors to be identified at a later date ("**Proposed Private Placement**");
- (ii) proposed settlement of amount owing to certain Directors of Tadmax, namely Datuk Seri Anuar bin Adam and Datuk Gan Seong Liam via the issuance of new ordinary shares of the Company ("**Proposed Directors Capitalisation**");
- (iii) proposed settlement of amount owing to Inas Angkasa Sdn Bhd, Impiria Jaya Sdn Bhd and Global Showcase Sdn Bhd pursuant to the purchase of 45% equity interest in Wawasan Metro Bina Sdn Bhd ("**WMB**") not already owned by the Company, via the issuance of new Tadmax Shares ("**Proposed Vendors Capitalisation**");
- (iv) proposed diversification of the business of Tadmax Group to include production and sale of energy ("**Proposed Diversification**"); and
- (v) proposed variation(s) to the terms of the existing employees' share option scheme of the Company ("**ESOS**") pursuant to the enforcement of the Companies Act, 2016 ("**the Act**") ("**Proposed Variation to the terms of the ESOS**").

(collectively referred to as "**the Proposals**")

The Proposed Private Placement will allow the Group to meet the funding requirements expeditiously and in the most cost-effective manner for both the power plant project (as elaborated under item 19(A) above) and the property development cost for Ganggarak Permai and at the same time strengthen the capital base of Tadmax to support continuous growth of its business. Whilst the rationale of the Proposed Directors Capitalisation is to reduce the Group's liability without any cash outflow. In this respect, this will allow our Group to reserve its cash for other purposes, such as working capital requirements.

Instead of the earlier settlement vide proceeds from the terminated Rights Issue with Warrants, the Proposed Vendors Capitalisation will enable the Company to fully settle the remaining outstanding purchase consideration for the WMB Acquisition of RM32.50 million via the Settlement Shares.

The Proposed Diversification is in line with the Group's plan to diversify its sources of revenue and earnings in addition to its existing core business through the steady operation, cash flows and revenues expected to be derived from the Energy Business. The Energy Business will also provide the platform for the medium-term to long-term growth of the Group upon its Commercial Operation Date scheduled in January 2023.

The Proposed Variation to the terms of the ESOS is undertaken to incorporate the changes made to the Act with respect to the ESOS.

The Proposals are not conditional upon each other and any other corporate exercises undertaken or to be undertaken by the Company.

On 29 January 2018, Kenanga Investment Bank Berhad had, on behalf of the Company, announced that Bursa Securities *vide* its letter dated 26 January 2018, approved the following:

- (i) listing of and quotation for up to 107,631,100 new Tadmax Shares to be issued pursuant to the Proposed Private Placement;
- (ii) listing of and quotation for 47,222,221 new Tadmax Shares to be issued pursuant to the Proposed Directors Capitalisation; and
- (iii) listing of and quotation for 90,277,777 new Tadmax Shares to be issued pursuant to the Proposed Vendors Capitalisation

At the Extraordinary General Meeting held on 23 February 2018, the Company's shareholders have approved the Proposals.

On 3 April 2018, 47,222,221 and 90,277,777 new ordinary shares, all at issue price of RM0.36 each were allotted and issued pursuant to the Proposed Directors Capitalisation and Proposed Vendors Capitalisation respectively. The above newly issued shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 5 April 2018.

Barring any unforeseen circumstances, the remainder of the Proposals on the Proposed Private Placement is expected to be completed in the first half of 2018.

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

Utilisation of gross proceeds raised from the private placement completed on 29 May 2017 up to 31 March 2018 is set out below :-

Purpose	Initial Proposed Allocation (RM'000)	Revised Allocation (RM'000)	Actual Utilisation to 31 Mar 2018 (RM'000)	Unutilised proceeds channelled to (RM'000)	Balance (RM'000)	Intended timeframe for utilisation
1) Power plant project costs	12,500	17,000	17,000	-	-	Within 9 months
2) Property development costs	7,258	2,758	2,450	127	435	Within 12 months
3) Estimated expenses for the Private Placement	300	300	173	(127)	-	Within 1 month
	20,058	20,058	19,623	-	435	

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 31/03/2018 RM'000	As at 31/03/2017 RM'000
(a) Current borrowings – secured		
Term loan	15,286	20,000
Bridging Loan	15,722	7,527
Finance lease payable	457	842
	<u>31,465</u>	<u>28,369</u>
(b) Non-current borrowings – secured		
Finance lease payable	442	787
Bridging Loan	12,132	-
Term loan	22,391	22,227
	<u>34,965</u>	<u>23,014</u>

All the Group borrowings are denominated in Malaysian currency and are secured. Both, term loan and bridging loan increased by RM15.7 million as compared to corresponding period as most of the loan drawdown was applied towards financing the Group's property development projects, Mizumi Residences at Taman Metropolitan, Kepong in Kuala Lumpur and Ganggarak Permai in Labuan, FT. During the quarter, the term loan and bridging loan drawdown totals RM14.3 million whilst the repayment amount was RM14.8 million. The above loans bear interest rate of 6.35% to 8.75% per annum.

21. Trade Receivables

The Trade Receivables and corresponding ageing of the Group as at 31 March 2018 are as follow:-

	Total	
	RM'000	
Trade receivables	3,957	
Less : Allowance for impairment	-	
	<u>3,957</u>	
	RM'000	%
Neither past due nor impaired	1,720	43.5%
Past due 31 to 60 days not impaired	640	16.2%
Pass due 61 to 90 days not impaired	278	7.0%
Pass due 91 to 120 days not impaired	816	20.6%
Past due > 120 days not impaired	503	12.7%
	<u>3,957</u>	<u>100%</u>

The Group did not impair the past due trade receivables as these amounts are recoverable with no recent history of default. There are no trade receivables from related parties and approximately 17% of the trade receivables were due from one major customer of the Group.

The trade receivables are non-interest bearing and are generally range from 30 to 60 days term.

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

There were no outstanding derivatives as at 31 March 2018

(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 31 March 2018.

23. Material Litigation

There was no other material litigation pending as at 17 May 2018 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

24. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 31 March 2018 (31 March 2017: Nil).

25. Earnings/(Loss) Per Share

a) Basic Earnings/(Loss) Per Share

	Current Quarter 31/03/2018	Cumulative Quarter 31/03/2018
Loss for the financial period attributable to equity holders of the Company (RM'000)	(2,287)	(2,287)
Weighted average number of ordinary shares in issue ('000)	538,156	538,156
Basic loss per share (sen)	(0.42)	(0.42)

26. Additional Disclosures for Loss for the Period

	Current Quarter 31/03/2018 RM'000	Cumulative Quarter 31/03/2018 RM'000
<i>Loss for the period is arrived at after crediting:-</i>		
Interest income	40	40
<i>and after charging:-</i>		
Interest expense	87	87
Rental of property	83	83
Depreciation of property, plant and equipment	707	707
Amortisation of prepaid land lease payments	23	23
Amortisation of prepaid land lease payments with cultivation rights	493	493

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 period ended 31 March 2018.

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 24 May 2018.