

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

(The figures have not been audited)

	3rd Quarter 3 months ended		Cumulative to Date 9 months ended	
	30/09/2018 RM'000	30/09/2017 RM'000	30/09/2018 RM'000	30/09/2017 RM'000
Continuing Operations				
Revenue	46,170	25,764	120,219	64,508
Cost of sales	<u>(35,324)</u>	<u>(34,909)</u>	<u>(99,801)</u>	<u>(69,169)</u>
Gross profit/(loss)	10,846	(9,145)	20,418	(4,661)
Other operating income	224	157	481	491
Operating expenses	<u>(5,366)</u>	<u>(10,135)</u>	<u>(16,588)</u>	<u>(24,457)</u>
Operating profit/(loss)	5,704	(19,123)	4,311	(28,627)
Finance costs	<u>(52)</u>	<u>(154)</u>	<u>(260)</u>	<u>(523)</u>
Profit/(Loss) before taxation	5,652	(19,277)	4,051	(29,150)
Taxation	<u>(1,427)</u>	<u>(801)</u>	<u>(2,039)</u>	<u>(542)</u>
Net profit/(loss) from continuing operations	4,225	(20,078)	2,012	(29,692)
Discontinuing operations	-	-	-	-
Net profit/(loss) for the financial period	4,225	(20,078)	2,012	(29,692)
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	177	210	517	498
Items that will not be reclassified subsequently to profit or loss, net of tax				
- Revaluation of property, plant and equipment	-	-	-	56,611
Total comprehensive profit/(loss) for the period	4,402	(19,868)	2,529	27,417
Net profit/(loss) attributable to :				
Owners of the Company	4,269	(20,032)	2,145	(29,554)
Non-controlling interests	<u>(44)</u>	<u>(46)</u>	<u>(133)</u>	<u>(138)</u>
	4,225	(20,078)	2,012	(29,692)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	4,446	(19,822)	2,662	27,555
Non-controlling interests	<u>(44)</u>	<u>(46)</u>	<u>(133)</u>	<u>(138)</u>
	4,402	(19,868)	2,529	27,417
Basic profit/(loss) per ordinary share (sen)				
- from continuing operations	0.55	(3.73)	0.32	(5.79)
- from discontinuing operations	-	-	-	-
	<u>0.55</u>	<u>(3.73)</u>	<u>0.32</u>	<u>(5.79)</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 30 SEPTEMBER 2018

	(UNAUDITED) As At End Of Current Quarter 30/09/2018 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	122,094	120,515
Prepaid land lease payments	2,097	2,167
Prepaid land lease payments with cultivation rights	55,692	57,171
Other investments	50	50
Timber concession rights	218,000	218,000
Land and development expenditure	15,088	14,179
Deferred tax assets	319	441
	413,340	412,523
Current assets		
Inventories	485	337
Land and development expenditure	97,653	88,098
Progress billing	54,956	34,256
Trade receivables	4,828	2,939
Amount due from customers on contract	-	1,963
Other receivables, deposits and prepayments	40,238	38,248
Other investments	9,128	1,598
Tax recoverable	68	40
Deposits placed with licensed financial institutions	1,773	1,030
Cash and bank balances	9,492	7,710
	218,621	176,219
TOTAL ASSETS	631,961	588,742
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	337,510	266,106
Share option reserve	410	352
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,725	1,208
- Revaluation reserve	56,611	56,611
- (Accumulated losses)/Retained profits	(27,928)	(30,073)
Shareholders' funds	368,173	294,049
Non-controlling interests	27,564	27,697
TOTAL EQUITY	395,737	321,746

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018 - continued

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30/09/2018 RM'000	As At Preceding Financial Year End 31/12/2017 RM'000
Non-current liabilities		
Deferred tax liabilities	97,390	99,547
Finance lease liabilities	272	453
Bank borrowings	42,430	37,747
	140,092	137,747
Current liabilities		
Trade payables	38,543	23,602
Other payables, deposits and accruals	25,983	61,535
Amount due to customers on contract	132	-
Amount due to directors	3,874	15,234
Finance lease liabilities	399	529
Bank borrowings	23,303	28,287
Tax payables	3,898	62
	96,132	129,249
TOTAL LIABILITIES	236,224	266,996
TOTAL EQUITY AND LIABILITIES	631,961	588,742
Net assets per share attributable to ordinary equity holders of the Company (sen)	47.0	54.6

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 30 SEPTEMBER 2018
(The figures have not been audited)

	←-----Attributable to owners of the Company-----→					-----Distributable-----→		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	Other Reserves RM'000	Retained profits/ (Accumulated Losses) RM'000	Total RM'000		
<u>9 months ended 30 September 2018</u>									
As at 1 January 2018	266,106	-	(155)	352	57,819	(30,073)	294,049	27,697	321,746
Total comprehensive profit/(loss) for the period	-	-	-	-	-	2,145	2,145	(133)	2,012
Issuance of shares pursuant to Debt Capitalisation									
- Directors Advances	17,000	-	-	-	-	-	17,000	-	17,000
- Vendors of Wawasan Metro Bina Sdn Bhd	32,500	-	-	-	-	-	32,500	-	32,500
Employees' share option scheme	-	-	-	58	-	-	58	-	58
Issuance of shares pursuant to private placement / Expenses incurred	22,064	-	-	-	-	-	22,064	-	22,064
Expenses from issue of placement shares	(160)	-	-	-	-	-	(160)	-	(160)
Exchange differences on translation of foreign entities	-	-	-	-	517	-	517	-	517
As at 30 September 2018	337,510	-	(155)	410	58,336	(27,928)	368,173	27,564	395,737
<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 201	1,194	(1,194)	-	-	-	-	-	-	-
As at 30 September 2017	266,106	-	(155)	352	57,518	(25,951)	297,870	27,771	325,641

(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 30 SEPTEMBER 2018
(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter
	30/09/2018	30/09/2017
	RM'000	RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	4,051	(29,150)
<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	2,134	1,867
Interest expense	260	523
Interest income	(252)	(198)
Share options granted under ESOS	58	-
Gain on disposal of plant and equipment	(57)	-
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	7,743	(24,298)
<u>Changes in working capital:</u>		
Inventories	(148)	623
Progress billing	(19,835)	(14,055)
Contract customers	2,095	1,265
Land and development expenditure	(7,693)	1,428
Receivables	(3,885)	(2,839)
Payables	17,893	2,790
	<hr/>	<hr/>
Cash generated/(used in) from operations	(3,830)	(35,087)
Interest received	252	198
Interest paid	(3,895)	(2,842)
Net of tax paid	(292)	(216)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(7,765)	(37,947)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note 1)	(3,604)	(5,453)
Other investments	(7,530)	-
Proceeds from disposal of plant & equipment	57	-
Fixed Deposit pledged as security	(1,493)	-
Proceeds from issuance of shares pursuant to private placement	22,064	20,058
Share issuance expenses	(160)	(173)
Proceeds on disposal of investment in joint venture	-	14
	<hr/>	<hr/>
Net cash from/(used in) investing activities	9,334	14,446
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/Advances from directors	(360)	12,182
Drawn down of bank borrowings	51,115	30,494
Repayment of bank borrowings	(51,417)	(18,842)
Repayment of finance lease liabilities	(420)	(651)
	<hr/>	<hr/>
Net cash (used in)/from financing activities	(1,082)	23,183
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	487	(318)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	545	528
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	8,710	9,611
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	9,742	9,821

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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
	30/09/2018	30/09/2017
	RM'000	RM'000
Deposits placement with licensed financial institutions	1,773	95
Cash and bank balances	9,492	9,756
	11,265	9,851
Less: Deposits pledged with licensed banks as security for banking facilities	(1,523)	(30)
	9,742	9,821

-

NOTE 1 - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of RM3,714,000 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 RM3,604,000.

(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 30 September 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 except for the issuance and allotment of 2,562,550 new ordinary shares to an independent third party investor, all at issue price of RM0.21 each on 19 July 2018 pursuant to the Proposed Private Placement. The new shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 23 July 2018. With the above allotment of shares, the issued share capital of the Company totals 783,761,392 ordinary shares (inclusive of 474,300 treasury shares), equivalent to RM337,509,683 (after deducting expenses of RM160,322 from issuance of placement shares).

7. Dividends Paid

There was no dividend paid during the current quarter ended 30 September 2018 (30 September 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:

Business Activity	Current Quarter				Cumulative Quarter			
	3 months ended				9 months ended			
	30/09/2018		30/09/2017		30/09/2018		30/09/2017	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
• Property	45,333	8,434	23,601	(19,414)	116,913	12,728	57,740	(22,209)
• Industrial supplies	837	(192)	2,163	194	3,306	(348)	6,768	546
• Energy	-	(573)	-	2,083	-	(1,624)	-	(1,329)
• Investment holding	-	(1,426)	-	(1,443)	-	(4,810)	-	(3,997)
• Others	-	(539)	-	(543)	-	(1,635)	-	(1,638)
	46,170	5,704	25,764	(19,123)	120,219	4,311	64,508	(28,627)
Finance costs	-	(52)	-	(154)	-	(260)	-	(523)
	46,170	5,652	25,764	(19,277)	120,219	4,051	64,508	(29,150)

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 herein below under Notes 19(A), 19(B) and 19(C).

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 30 September 2018 comprise as below :-

	RM'000
Capital expenditure commitments not provided for	
- Authorised and contracted for	2,582
- Authorised and not contracted for	14,970
	<u>17,552</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)
	30/09/2018	30/09/2017	%	30/06/2018	%	30/09/2018	30/09/2017	%
Revenue								
• Property	45,333	23,601	92%	39,969	13%	116,913	57,740	102%
• Industrial supplies	837	2,163	-61%	1,100	-24%	3,306	6,768	-51%
	46,170	25,764	79%	41,069	12%	120,219	64,508	86%
Profit/(Loss) before tax								
• Property	8,434	(19,414)	-143%	4,452	89%	12,728	(22,209)	-157%
• Industrial supplies	(192)	194	-199%	(134)	43%	(348)	546	-164%
• Energy	(573)	2,083	-128%	(492)	16%	(1,624)	(1,329)	22%
• Investment holding	(1,426)	(1,443)	-1%	(2,110)	-32%	(4,810)	(3,997)	20%
• Others	(539)	(543)	-1%	(550)	-2%	(1,635)	(1,638)	0%
	5,704	(19,123)	-130%	1,166	389%	4,311	(28,627)	-115%
Finance costs	(52)	(154)	-66%	(121)	-57%	(260)	(523)	-50%
	5,652	(19,277)	-129%	1,045	441%	4,051	(29,150)	-114%

Review on Performance - Current Quarter compared to Corresponding Quarter

a) Overall Review of Group performance

The Group's revenue grew by approximately 79% to register RM46.2 million vis-a-vis the preceding corresponding quarter, contributed mainly by the Property business segment which was in turn attributed to the higher percentage completion achieved by its Mizumi Residence condominium project in Taman Metropolitan Kepong. Mizumi Residences condominium project in Taman Metropolitan Kepong reported substantially higher revenue contribution at RM42.2 million vis-a-vis RM7.5 million in the preceding corresponding quarter contributed by higher percentage completion and full nine months results in current year vis-à-vis last year corresponding period which only registered 4 months results as the project was launched in June 2017. As for the Group's Ganggarak Permai project, its Phase 1 was completed and certificate of fitness obtained on 20 August 2018 whilst Phase 2 achieved 2.84% vis-a-vis 13.5% in the preceding corresponding quarter. In terms of Revenue, Ganggarak Permai project in 3Q 2018 reported RM3.1 million vis-a-vis RM16.1 million in the preceding corresponding quarter due to no further revenue from the duly completed Phase 1.

The growth in revenue from Property Business Segment continued to be the main driver resulting in the profit before interest and tax for the current quarter of RM5.7 million vis-à-vis losses of RM19.1 million in the preceding corresponding quarter.

Segmental Review

- **Property**

This business segment comprised two property development projects, Ganggarak Permai in Ganggarak, Labuan FT and Mizumi Residences 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)	RM 137,311	RM 488,223
Unbilled sales ('000)	RM 8,215	RM 372,584
Percentage completion - year-to-date	Phase 1 100.0% (Sep 2017 : 69.9%) Phase 2A 83.6% (Sep 2017 : 37.3%)	23.69% (Sep 2017 : 4.4%)
Operating profit ('000)	RM 524	RM 7,909

Phases 1 and 2A of Ganggarak Permai are affordable homes project, where profit margin is minimal from these development. For the quarter under review, Ganggarak Permai recorded a marginal profit of RM0.524 million mainly due to lower actual overall cost incurred for phase 1 vis-à-vis budgeted cost. Phase 1 is duly completed with the issuance of certificate of fitness on 20 August 2018.

Mizumi Residences was launched in June 2017 and as at 30 September 2018, a total booking of 1,216 units was registered. The Main Building works has commenced since 19 March 2018 and as at 30 September 2018, the podium section is approximately 50% completed whilst billings under stage 2(a) (being works below ground level including foundation of the building) have been fully billed. The high percentage completion achieved contributed to the operating profit of RM7.9 million during the quarter under review.

Energy

During the current reporting quarter, the Group completed the review and evaluation of the tenders submitted by the EPCC contractors and this was followed by submission to the Energy Commission the final technical and commercial proposal. On the financial aspect of this Energy Segment, total cost incurred for the current reporting quarter amounted to RM1.8 million out of which, a sum of RM1.2 million was capitalised as the 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 higher by 12%, similarly as above due mainly to the higher revenue contributed by Mizumi Residences at RM42.2 million (vis-a-vis RM31.7 million in the preceding quarter), set off by the lower revenue from the Group's Ganggarak Permai Project at RM3.1 million (vis-a-vis RM8.3 million in the preceding quarter). The lower revenue from Ganggarak Permai was due to the successful completion of Phase 1 with handover of the apartments to buyers on 20 August 2018. Under the above premises, the Group's profit before interest and tax was higher at RM5.7 million (vis-a-vis RM1.2 million), achieved by the higher profit contribution registered by Mizumi Residences.

16. Prospects

The Board expects the Group to continue with its performance, as recorded in the current reporting quarter, in the final quarter of the financial year ending 31 December 2018 on the back of the expected continued progress and strong performance of its Property Development project, Mizumi Residences.

As at the current reporting quarter, the Group's Mizumi Residences development project, approximately 80% of available units has been taken up and the development progress is in accordance to its development plan. The Group's Ganggarak Permai project in Labuan FT saw the handover of its Phase 1 to end-purchasers comprising 520 units of affordable apartments on 20 August 2018, the date of the receipt of the certificate of fitness. Its Phase 2A development is within its development plan for completion and handing over by the middle of the next financial year.

Further revenue and profit contribution is expected over the next two years from the Group's Ganggarak Permai project in Labuan FT arising from its revamped development plan comprising 195 units of affordable double storey terrace houses (under Phase 3) and 22 units of double storey shop offices (under Phase 4). More than 90% of the units in Phase 3 and all units in Phase 4 have been booked as at the end of the current reporting quarter.

As to the Group's Energy business, it will not contribute to the near term profitability of the Group as it takes approximately four years before commercial operation commences. Submission of the final technical and commercial proposal was made to the Energy Commission on 31 July 2018. On 14 September 2018, the Company entered into a Heads of Agreement ("HOA") with Worldwide Holdings Berhad ("WORLDWIDE"), a Selangor state-linked company and Korea Electric Power Corporation ("KEPCO"). The HOA sets out the parties respective obligations and roles on the overall planning and development in connection with participation of the parties in the Project (as elaborated under item 19(A) hereinbelow). The participation of WORLDWIDE AND KEPCO should augurs well for the Group's power plant project in Pulau Indah, Selangor Darul Ehsan.

On the Industrial Supplies business segment, with the anticipated reduced activity of the 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 remaining period of the current financial year and in the next financial year. Nevertheless, the main objective of this business segment is to support the Group's ready-mixed concrete requirements in Labuan, FT especially for its upcoming development of Phase 3 and 4 which development works has commenced since middle of the current financial year.

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)	
	30/09/2018 RM'000	30/09/2017 RM'000	30/09/2018 RM'000	30/09/2017 RM'000
Current tax:				
Malaysian income tax	2,199	72	3,902	149
Under provision of Malaysian income tax in prior years	200	1,064	200	1,064
	<u>2,399</u>	<u>1,136</u>	<u>4,102</u>	<u>1,213</u>
Deferred tax	(972)	(335)	(2,063)	(671)
Total taxation	<u>1,427</u>	<u>801</u>	<u>2,039</u>	<u>542</u>

Included in the income tax figure for the quarter ended 30 September 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, fair value adjustment to land and development expenditure, 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 Turbine Power Plant in Pulau Indah

On 3 August 2016, the Company announced that it has received a Letter of Award dated 2 August 2016 (“CLOA”) from the Government of Malaysia, through the Energy Commission (“EC”) for the development of a new 1,000 MW combined cycle gas turbine 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 CLOA 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.

On 31 July 2018, the Group submitted to the EC the final technical and commercial proposal.

In relation to the status of the Project vis-à-vis the indicative timeline, the Project is progressing in line with the established timeline and presently awaiting for the approval of the EC, envisaged by the 4th quarter of 2018 followed by financial close in middle of year 2019 whilst construction is earmarked sometime in the 2nd half of year 2019.

(B)Memorandum of Understanding (“MOU”) with Worldwide Holdings Berhad

On 27 July 2018, the Company entered into a Memorandum of Understanding with Worldwide Holdings Berhad (“WORLDWIDE”), a Selangor state-linked company, where subject to the Energy Commission, WORLDWIDE intends to secure a percentage equity interests in the project company, Tadmax Indah Power Sdn Bhd. The MOU may lead to a Shareholders’ Agreement between the parties.

The participation of WORLDWIDE should augurs well for the Group’s power plant project in Pulau Indah, Selangor Darul Ehsan.

(C)Heads of Agreement with Worldwide Holdings Berhad and Korean Electric Power Corporation

On 14 September 2018, subject to the Energy Commission’s approval, the Company entered into a Heads of Agreement (“HOA”) with Worldwide Holdings Berhad (“WORLDWIDE”), a Selangor state-linked company and Korea Electric Power Corporation (“KEPCO”). The HOA sets out the parties respective obligations and roles on the overall planning and development in connection with participation of the parties in the Project (as elaborated under item 19(A) hereinabove) which includes the planning, construction, development, commissioning, operation and commercialization of the Project.

Subject to the Energy Commission’s approval, the parties’ equity participation in the Project shall be through the project company, Tadmax Indah Power Sdn Bhd. The Parties agree that in the course of negotiation and finalization of the Definitive Agreement, the decision making mechanism in the project company and the equity participation may be varied from time to time.

The HOA is valid for a period of one (1) year from the date of signing.

The participation of WORLDWIDE AND KEPCO should augurs well for the Group’s power plant project in Pulau Indah, Selangor Darul Ehsan.

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

Utilisation of gross proceeds raised from the private placements in June/July 2018 up to 30 September 2018 is set out below :-

	<u>Purpose</u>	Allocation per Circular to Shareholders (RM'000)	Revised Allocation (N1) (RM'000)	Actual Utilisation to 30 Sept 2018 (RM'000)	Balance (RM'000)	Revised timeframe for utilisation
1)	Power plant project costs	18,000	11,000	4,279	6,721	Within 9 months
2)	Property development costs	12,500	7,800	4,415	3,385	Within 9 months
3)	Working capital	4,518	2,938	1,739	1,199	Within 6 months
4)	Estimated expenses for the Private Placement	500	326	326	-	Within 1 month
		35,518	22,064	10,759	11,305	

N1 - Pro-rata allocation based on the reduced actual gross proceeds from private placement.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/09/2018 RM'000	As at 30/09/2017 RM'000
(a) Current borrowings – secured		
Term loans	12,286	44,594
Bridging Loan	10,684	8,190
Trade Loan	333	-
Finance lease payable	399	662
	<u>23,702</u>	<u>53,446</u>
(b) Non-current borrowings – secured		
Finance lease payable	272	554
Bridging Loan	40,882	-
Term loan	1,548	-
	<u>42,702</u>	<u>554</u>

All the Group borrowings are denominated in Malaysian currency and are secured. Both, term loans and bridging loan increased by RM 12.6 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 loans and bridging loans drawdown totals RM23.2 million whilst the repayment amount was RM20.3 million. The above loans bear interest rate of 6.36% to 8.75% per annum.

21. Trade Receivables

The Trade Receivables and corresponding ageing of the Group as at 30 September 2018 are as follow:-

	Total	
	RM'000	
Trade receivables	4,828	
Less : Allowance for impairment	-	
	<u>4,828</u>	
	RM'000	%
Neither past due nor impaired	1,128	23.4%
Past due 31 to 60 days not impaired	1,547	32.0%
Past due 61 to 90 days not impaired	323	6.7%
Past due 91 to 120 days not impaired	1,294	26.8%
Past due > 120 days not impaired	536	11.1%
	<u>4,828</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 14% 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 30 September 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 30 September 2018.

23. Material Litigation

There was no other material litigation pending as at 9 November 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 30 September 2018 (30 September 2017: Nil).

25. Earnings/(Loss) Per Share

a) Basic Earnings/(Loss) Per Share

	Current Quarter 30/09/2018	Cumulative Quarter 30/09/2018
Earnings for the financial period attributable to equity holders of the Company (RM'000)	<u>4,269</u>	<u>2,145</u>
Weighted average number of ordinary shares in issue ('000)	<u>782,786</u>	<u>672,208</u>
Basic earnings per share (sen)	<u>0.55</u>	<u>0.32</u>

26. Additional Disclosures for Profit/(Loss) for the Period

	Current Quarter 30/09/2018 RM'000	Cumulative Quarter 30/09/2018 RM'000
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Gain on disposal of plant & equipment	-	57
Interest income	<u>150</u>	<u>252</u>
<i>and after charging:-</i>		
Interest expense	52	260
Rental of property	75	230
Impairment of Other Receivable	-	1,162
Depreciation of property, plant and equipment	713	2,134
Amortisation of prepaid land lease payments	24	70
Amortisation of prepaid land lease payments with cultivation rights	<u>493</u>	<u>1,479</u>

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 30 September 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 15 November 2018.