

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

	4th Quarter 3 months ended		Cumulative to Date 12 months ended	
	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
<b>Continuing Operations</b>				
Revenue	51,768	35,375	171,987	99,883
Cost of sales	(42,907)	(31,138)	(142,708)	(100,307)
Gross profit/(loss)	8,861	4,237	29,279	(424)
Other operating income	156	315	637	806
Operating expenses	(5,949)	(9,013)	(22,537)	(33,470)
Operating profit/(loss)	3,068	(4,461)	7,379	(33,088)
Finance costs	(44)	(298)	(304)	(821)
<b>Profit/(Loss) before taxation</b>	3,024	(4,759)	7,075	(33,909)
Taxation	172	563	(1,867)	21
<b>Net profit/(loss) from continuing operations</b>	<b>3,196</b>	<b>(4,196)</b>	<b>5,208</b>	<b>(33,888)</b>
Discontinuing operations	-	-	-	-
<b>Net profit/(loss) for the financial period</b>	<b>3,196</b>	<b>(4,196)</b>	<b>5,208</b>	<b>(33,888)</b>
<b>Other comprehensive income/(loss), net of tax</b>				
<b>Items that will be reclassified subsequently to profit or loss, net of tax</b>				
- Foreign currency translation	(257)	301	260	799
<b>Items that will not be reclassified subsequently to profit or loss, net of tax</b>				
- Revaluation of property, plant and equipment	-	-	-	56,611
<b>Total comprehensive profit/(loss) for the period</b>	<b>2,939</b>	<b>(3,895)</b>	<b>5,468</b>	<b>23,522</b>
<b>Net profit/(loss) attributable to :</b>				
Owners of the Company	3,248	(4,122)	5,393	(33,676)
Non-controlling interests	(52)	(74)	(185)	(212)
	3,196	(4,196)	5,208	(33,888)
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the Company	2,991	(3,821)	5,653	23,734
Non-controlling interests	(52)	(74)	(185)	(212)
	2,939	(3,895)	5,468	23,522
Basic profit/(loss) per ordinary share (sen)				
- from continuing operations	0.41	(0.77)	0.77	(6.48)
- from discontinuing operations	-	-	-	-
	0.41	(0.77)	0.77	(6.48)

(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 DECEMBER 2018**

	(UNAUDITED) As At End Of Current Quarter 31/12/2018 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	122,634	120,515
Prepaid land lease payments	2,074	2,167
Prepaid land lease payments with cultivation rights	55,200	57,171
Other investments	50	50
Timber concession rights	218,000	218,000
Land and development expenditure	14,996	14,179
Deferred tax assets	334	441
	413,288	412,523
<b>Current assets</b>		
Inventories	902	337
Land and development expenditure	86,253	88,098
Progress billing	75,953	34,256
Trade receivables	22,975	2,939
Contract Assets	1,570	1,963
Other receivables, deposits and prepayments	30,788	38,248
Other investments	3,673	1,598
Tax recoverable	48	40
Deposits placed with licensed financial institutions	3,643	1,030
Cash and bank balances	4,869	7,710
	230,674	176,219
<b>TOTAL ASSETS</b>	<b>643,962</b>	<b>588,742</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	337,510	266,106
Share option reserve	410	352
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,468	1,208
- Revaluation reserve	56,611	56,611
Accumulated losses	(24,694)	(30,073)
Shareholders' funds	371,150	294,049
Non-controlling interests	27,512	27,697
<b>TOTAL EQUITY</b>	<b>398,662</b>	<b>321,746</b>

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

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As At End Of Current Quarter 31/12/2018 RM'000</b>	<b>As At Preceding Financial Year End 31/12/2017 RM'000</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	96,412	99,547
Finance lease liabilities	213	453
Bank borrowings	67,211	37,747
	163,836	137,747
<b>Current liabilities</b>		
Trade payables	41,151	23,602
Other payables, deposits and accruals	17,572	61,535
Amount due to directors	674	15,234
Finance lease liabilities	337	529
Bank borrowings	19,449	28,287
Tax payable	2,281	62
	81,464	129,249
<b>TOTAL LIABILITIES</b>	245,300	266,996
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>643,962</b>	<b>588,742</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	47.4	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 31 DECEMBER 2018**

(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				
<b><u>12 months ended 31 December 2018</u></b>									
As at 1 January 2018 - as previously reported	266,106	-	(155)	352	57,819	(30,073)	294,049	27,697	321,746
Effect of adopting MFRS 9	-	-	-	-	-	(14)	(14)	-	(14)
As at 1 January 2018 - as restated	266,106	-	(155)	352	57,819	(30,087)	294,035	27,697	321,732
Total comprehensive profit/(loss ) for the period	-	-	-	-	-	5,393	5,393	(185)	5,208
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	21,904	-	-	-	-	-	21,904	-	21,904
Exchange differences on translation of foreign entities	-	-	-	-	260	-	260	-	260
As at 31 December 2018	337,510	-	(155)	410	58,079	(24,694)	371,150	27,512	398,662
<b><u>12 months ended 31 December 2017</u></b>									
As at 1 January 2017	244,854	1,367	(155)	352	409	3,603	250,430	27,909	278,339
Total comprehensive loss for the period	-	-	-	-	-	(33,676)	(33,676)	(212)	(33,888)
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	-	-	-	-	799	-	799	-	799
Transition to no-par value regime on 31 January 201	1,194	(1,194)	-	-	-	-	-	-	-
As at 31 December 2017	266,106	-	(155)	352	57,819	(30,073)	294,049	27,697	321,746

(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 DECEMBER 2018**  
(The figures have not been audited)

	<b>CUMULATIVE QUARTER</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Corresponding</b>
	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>Quarter</b>
	<b>RM'000</b>	<b>RM'000</b>	
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>			
Profit/(loss) before taxation	7,075	(33,909)	
<u>Adjustments for non-cash items:</u>			
Amortisation of prepaid land lease payments	93	92	
Amortisation of prepaid land lease payments with cultivation rights	1,971	1,972	
Depreciation	2,839	2,569	
Unrealised loss on foreign exchange	207	602	
Impairment on receivables and Expected Credit Loss Allowances	116	-	
Write off of bad debts	1,162	-	
Interest expense	304	821	
Interest income	(333)	(221)	
Share options granted under ESOS	58	-	
Gain on disposal of plant and equipment	(82)	-	
Operating profit/(loss) before working capital change:	13,410	(28,074)	
<u>Changes in working capital:</u>			
Inventories	(565)	712	
Progress billing	(41,697)	-	
Contract assets/liabilities	393	(2,751)	
Land and development expenditure	6,146	(3,271)	
Receivables	(13,872)	(32,267)	
Payables	12,088	18,222	
Cash used in operations	(24,097)	(47,429)	
Interest received	333	221	
Interest paid	(5,422)	(821)	
Net of tax paid	(2,695)	(285)	
<b>Net cash used in operating activities</b>	<b>(31,881)</b>	<b>(48,314)</b>	
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment (Note 1)	(4,923)	(7,345)	
Other investments	(2,075)	(1,598)	
Proceeds from disposal of plant & equipment	157	14	
Fixed Deposit pledged as security	(1,463)	-	
<b>Net cash used in investing activities</b>	<b>(8,304)</b>	<b>(8,929)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment to)/Advances from Directors	(3,560)	12,442	
Proceeds from issuance of shares pursuant to private placement	22,064	20,058	
Share issuance expenses	(160)	(173)	
Drawn down of bank borrowings	84,472	44,709	
Repayment of bank borrowings	(63,846)	(19,807)	
Repayment of finance lease liabilities	(542)	(884)	
<b>Net cash from financing activities</b>	<b>38,428</b>	<b>56,345</b>	
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,757)</b>	<b>(898)</b>	
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>66</b>	<b>(3)</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>8,710</b>	<b>9,611</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>7,019</b>	<b>8,710</b>	

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018 - continued**  
(The figures have not been audited)

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

	<b>As at</b>	<b>As at</b>
	<b>31/12/2018</b>	<b>31/12/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits placement with licensed financial institutions	3,643	1,030
Cash and bank balances	4,869	7,710
	<u>8,512</u>	<u>8,740</u>
Less: Deposits pledged with licensed banks as security for banking facilities	(1,493)	(30)
	<u><b>7,019</b></u>	<u><b>8,710</b></u>

**NOTE 1 - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM5,033,000 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 RM4,923,000.

(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 December 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 December 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:

Business Activity	Current Quarter 3 months ended				Cumulative Quarter 12 months ended			
	31/12/2018		31/12/2017		31/12/2018		31/12/2017	
	Profit/(Loss)		Profit/(Loss)		Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Taxation	Revenue	Before Taxation	Revenue	Before Taxation	Revenue	Before Taxation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
• Property	49,521	5,666	33,372	(705)	166,434	18,394	91,112	(22,914)
• Industrial supplies	2,247	(344)	2,003	(320)	5,553	(692)	8,771	226
• Energy	-	(656)	-	(829)	-	(2,280)	-	(2,158)
• Investment holding	-	(942)	-	(1,682)	-	(5,752)	-	(5,679)
• Others	-	(656)	-	(925)	-	(2,291)	-	(2,563)
	<b>51,768</b>	<b>3,068</b>	<b>35,375</b>	<b>(4,461)</b>	<b>171,987</b>	<b>7,379</b>	<b>99,883</b>	<b>(33,088)</b>
Finance costs	-	(44)	-	(298)	-	(304)	-	(821)
	<b>51,768</b>	<b>3,024</b>	<b>35,375</b>	<b>(4,759)</b>	<b>171,987</b>	<b>7,075</b>	<b>99,883</b>	<b>(33,909)</b>

## 9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 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 31 December 2018 comprise as below :-

	RM'000
Capital expenditure commitments not provided for	
- Authorised and contracted for	4,208
- Authorised and not contracted for	33,769
	37,977

**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)
	31/12/2018	31/12/2017	%	30/9/2018	%	31/12/2018	31/12/2017	%
<b>Revenue</b>								
• Property	49,521	33,372	48%	45,333	9%	166,434	91,112	83%
• Industrial								
supplies	2,247	2,003	12%	837	168%	5,553	8,771	-37%
	<b>51,768</b>	<b>35,375</b>	<b>46%</b>	<b>46,170</b>	<b>12%</b>	<b>171,987</b>	<b>99,883</b>	<b>72%</b>
<b>Profit/(Loss) before tax</b>								
• Property	5,666	(705)	-904%	8,434	-33%	18,394	(22,914)	-180%
• Industrial								
supplies	(344)	(320)	8%	(192)	79%	(692)	226	-406%
• Energy	(656)	(829)	-21%	(573)	14%	(2,280)	(2,158)	6%
• Investment								
holding	(942)	(1,682)	-44%	(1,426)	-34%	(5,752)	(5,679)	1%
• Others	(656)	(925)	-29%	(539)	22%	(2,291)	(2,563)	-11%
	<b>3,068</b>	<b>(4,461)</b>	<b>-169%</b>	<b>5,704</b>	<b>-46%</b>	<b>7,379</b>	<b>(33,088)</b>	<b>-122%</b>
Finance costs	(44)	(298)	-85%	(52)	-15%	(304)	(821)	-63%
	<b>3,024</b>	<b>(4,759)</b>	<b>-164%</b>	<b>5,652</b>	<b>-46%</b>	<b>7,075</b>	<b>(33,909)</b>	<b>-121%</b>

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

#### a) Overall Review of Group performance

The Group continued to register strong and increased revenue growth in the current quarter vis-a-vis both, last three individual quarters of the current financial year and the last four individual quarters of the last financial year, driven predominantly by the higher percentage completion achieved by its Mizumi Residences condominium project in Taman Metropolitan Kepong and the commencement of recognition of Revenue from Phases 3 & 4 of the Group's Ganggarak Permai project in Labuan FT. Revenue grew by approximately 46% to RM51.8 million vis-a-vis the preceding corresponding quarter which is mainly attributable to Mizumi Residences' revenue contribution of RM39.7 million (4th Quarter 2017 : RM17.1 million) generated based on 5.2% project completion with 79.4% sales vis-a-vis 3.6% completion with 62% sales achieved in the preceding corresponding quarter whilst Phases 3 and 4 of Ganggarak Permai project in Labuan FT recognised its maiden revenue of RM7.2 million in the current quarter, mitigated by the loss of Revenue from its duly completed Phase 1 where certificate of fitness was obtained on 20 August 2018.

The increased Revenue coupled by the overall lower losses incurred by the Group's other Business Segments directly resulted in the turnaround of the Group's profit before tax of RM3.0 million vis-a-vis the preceding corresponding quarter loss before tax of RM4.8 million.

**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 171,492	RM 537,885
Unbilled sales ('000)	RM 32,580	RM 382,552
Percentage completion - year-to-date	Phase 1 - 100.0% (Dec 2017 : 80.9%) Phase 2A - 88.0% (Dec 2017 : 48.7%) Phase 3 - 14.5% (Dec 2017 : nil) Phase 4 - 30.4% (Dec 2017 : nil)	28.9% (Dec 2017 : 8.0%)
Operating (loss)/profit for the quarter ('000)	(RM 856)	RM 6,587

Phases 1 and 2A of Ganggarak Permai are affordable homes projects, where profit margin is minimal from this development. Phases 3 and 4 commenced recognition of Revenue from 4<sup>th</sup> Quarter 2018 and is expected to contribute positively to the profitability of this Business Segment in the following financial year. For the quarter under review, Ganggarak Permai recorded loss of RM0.856 million mainly due to variation order claim of approximately RM2.8 million by the main contractor which is subject to evaluation and finalization between the parties.

Mizumi Residences continued with its strong performance and was the main contributor to the Group's earnings. As at end December 2018, a total booking of 1,280 units was registered which represents 84.6% of total units. The Main Building works has commenced since 19 March 2018 and as at December 2018, the podium section is approximately 95% completed whilst the structural frameworks for the condominiums have reaches level 17, level 15 and level 9 of block D, E and F respectively out of 41 storeys. . The high percentage completion achieved at 5.2% coupled with the sales, contributed to the operating profit of RM6.6 million during the quarter under review.

• **Energy**

The division had submitted to the Energy Commission the final technical and commercial proposal cum project documents in the previous quarter and is presently awaiting for the approval of the Energy Commission to proceed the next level ie to undertake financial close. On the financial aspect of this Energy Segment, total cost incurred for the current reporting quarter amounted to RM1.95 million out of which, a sum of RM1.3 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 registered at RM51.8 million, 12% higher than preceding quarter but registered lower profit before tax at RM3.0 million (vis-a-vis RM5.7 million in the preceding quarter). This was due to the sales mix where the Mizumi Residences property development project which earns higher gross margin registered a lower revenue of about RM2.5 million but was set-off by higher revenue of RM7.2 million from the Group's lower margin Ganggarak Permai property development project in Labuan FT. In addition, some additional cost was incorporated into the budgeted cost of the Property Business Segment consisting of a variation order of approximately RM2.8 million which is pending evaluation and finalization between the parties.

**16. Prospects**

On the back of the Group's Mizumi Residences property development project in Taman Metropolitan, Kepong and further supported by Ganggarak Permai property development project in Ganggarak, Labuan FT, our Board of Directors expect a better financial performance in the current financial year 2019 vis-à-vis the financial year under review.

Continued challenging business conditions (including property overhang) is expected to persist in the current financial year 2019. The Group is undertaking the development of mid-range and affordable homes and the Board believes this will remain the favourite in the medium-term, driven by fundamental market dynamics. Among others, the Group will ensure the quality of its products and the timely delivery of its commitments.

The Group targets to achieve 100% sales (from presently 86%) of its Mizumi Residences property development project by end of this financial year 2019. During this financial year 2019 would also see the Group launching its affordable homes in Taman Metropolitan, Kepong. For its Phase 3 terrace houses in Ganggarak Permai in Labuan FT, the Group will focus to achieve 100% sales (from presently 83%) by the 3<sup>rd</sup> quarter of 2019. As for shop offices, all the available units under Phase 4 have been fully taken up. Meanwhile, the handover of the Phase 2A Ganggarak Permai is scheduled for the 2<sup>nd</sup> quarter of financial year 2019.

In relation to the Group's 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. Following the submission of the final technical and commercial proposal to the Energy Commission on 31 July 2018, the Group is now awaiting for the approval from the EC with financial close and construction to commence thereafter.

Pertaining to the Industrial Supplies business segment, the Group is endeavouring to undertake trading of Industrial Supplies in anticipation of the reduced activities of the construction market of the location in which the Group's ready-mixed concrete plant operates. The plant is presently supporting the ready-mixed concrete requirements of the Group's Phase 3 and Phase 4 Ganggarak Permai project in Labuan FT.

**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 (12 months ended)	
	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Current tax:				
Malaysian income tax	589	-	4,491	149
Under provision of Malaysian income tax in prior years	215	3	415	1,067
	804	3	4,906	1,216
Deferred tax	(976)	(566)	(3,039)	(1,237)
Total taxation	(172)	(563)	1,867	(21)

Included in the income tax figure for the quarter ended 31 December 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.

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 followed by financial close and construction thereafter.

*(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 an equity interest in the project company, Tadmax Indah Power Sdn Bhd. The MOU may lead to a Shareholders’ Agreement between the parties. This MOU has been superseded by the Heads of Agreement as disclosed herein below under Notes 19(C).

*(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 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 31 December 2018 is set out below :-

<u>Purpose</u>	<u>Allocation per Circular (RM’000)</u>	<u>Revised Allocation (N1) (RM’000)</u>	<u>Adjusted Allocation (RM’000)</u>	<u>Actual Utilisation to 31 Dec 2018 (RM’000)</u>	<u>Balance (RM’000)</u>	<u>Revised timeframe for utilisation</u>
1) Power plant project costs	18,000	11,000	9,500	5,760	3,740	Within 9 months
2) Property development costs	12,500	7,800	6,800	4,415	2,385	Within 9 months
3) Working capital	4,518	2,938	5,438	4,519	919	Within 9 months (previously 6 months)
4) Estimated expenses for the Private Placement	500	326	326	326	-	Within 1 month
	35,518	22,064	22,064	15,020	7,044	

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

Variation in the allocation of Proceeds arising from Private Placement

In view of the higher requirement for working capital, a sum of RM1.5 million and RM1.0 million were transferred from Power Plant project costs and Property development costs respectively, resulting in the increase in the allocation for working capital by RM2.5 million to RM5.438 million as depicted in the above table. Accordingly, the timeframe for the utilisation of the working capital was extended from 6 months to 9 months with the increased allocation.

**20. Group Borrowings and Debts Securities**

Group borrowings are as follows:-

	<b>As at 31/12/2018 RM'000</b>	<b>As at 31/12/2017 RM'000</b>
(a) Current borrowings – secured		
Term loans	11,286	15,000
Bridging Loans	8,163	13,287
Finance lease payable	337	529
	<u>19,786</u>	<u>28,816</u>
(b) Non-current borrowings – secured		
Finance lease payable	213	453
Bridging Loan	65,735	4,121
Term loans	1,476	33,626
	<u>67,424</u>	<u>38,200</u>

All the Group borrowings are denominated in Malaysian currency and are secured. Both, term loans and bridging loan increased by RM20.9 million as compared to the preceding quarter and most of the loan drawdowns were applied towards financing the Group's property development projects, Mizumi Residences at Taman Metropolitan, Kepong in Kuala Lumpur. During the quarter, the term loans and bridging loans drawdown totals RM33.3 million whilst the repayment amount was RM12.4 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 December 2018 are as follow:-

	Total	
	RM'000	
Trade receivables	23,110	
Less : Allowance for Expected Credit Loss	(135)	
	<u>22,975</u>	
	RM'000	%
Neither past due nor impaired	19,807	86.2%
Past due 31 to 60 days not impaired	1,033	4.5%
Pass due 61 to 90 days not impaired	997	4.3%
Pass due > 91 days not impaired	988	4.3%
Pass due > 91 days impaired	150	0.7%
	<u>22,975</u>	<u>100%</u>

Trade receivables have increased significantly vis-à-vis the sum of RM2.9 million as at 31 December 2017 arising mainly from the progress billings issued to end-purchasers during the quarter under review. Included in the trade receivables is retention sum of RM6.4 million (2017 : Nil) held and will be release pursuant to the Housing Development (Control and Licensing) Act 1966.

The Group had undertook an assessment of Expected Credit Loss (“ECL”) pursuant to MFRS 9 taking onto account historically observed default rate adjusted by forward-looking information, eg. forecast economic conditions (ie. gross domestic product) and did not identify any material ECL.

There are no trade receivables from related parties and approximately 17.5% of the trade receivables were due from two major customers of the Group.

The trade receivables (except for the retention sum) 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 December 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 December 2018.

**23. Material Litigation**

There was no other material litigation pending as at 26 February 2019 (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 December 2018 (31 December 2017: Nil).

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

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

	<b>Current Quarter 31/12/2018</b>	<b>Cumulative Quarter 31/12/2018</b>
Earnings for the financial period attributable to equity holders of the Company (RM'000)	<u>3,248</u>	<u>5,393</u>
Weighted average number of ordinary shares in issue ('000)	<u>783,287</u>	<u>700,206</u>
Basic earnings per share (sen)	<u>0.41</u>	<u>0.77</u>

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

	<b>Current Quarter 31/12/2018 RM'000</b>	<b>Cumulative Quarter 31/12/2018 RM'000</b>
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Gain on disposal of plant & equipment	25	82
Interest income	<u>81</u>	<u>333</u>
<i>and after charging:-</i>		
Interest expense	44	304
Rental of property	73	303
Allowance for expected credit loss on receivables	116	116
Write off of bad debts	-	1,162
Depreciation of property, plant and equipment	705	2,839
Amortisation of prepaid land lease payments	23	93
Amortisation of prepaid land lease payments with cultivation rights	<u>492</u>	<u>1,971</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 31 December 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 28 February 2019.

END