

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2019**  
(The figures have not been audited)

|   | 1st Quarter<br>3 months ended |                      | Cumulative to Date<br>3 months ended |                      |
|---|-------------------------------|----------------------|--------------------------------------|----------------------|
|   | 31/03/2019<br>RM'000          | 31/03/2018<br>RM'000 | 31/03/2019<br>RM'000                 | 31/03/2018<br>RM'000 |
| <b>Continuing Operations</b>  |                               |                      |                                      |                      |
| Revenue   | 82,277                        | 32,980               | 82,277                               | 32,980               |
| Cost of sales   | <u>(65,688)</u>               | <u>(30,623)</u>      | <u>(65,688)</u>                      | <u>(30,623)</u>      |
| Gross profit  | 16,589                        | 2,357                | 16,589                               | 2,357                |
| Other operating income  | 206                           | 159                  | 206                                  | 159                  |
| Operating expenses  | <u>(9,044)</u>                | <u>(5,075)</u>       | <u>(9,044)</u>                       | <u>(5,075)</u>       |
| Operating profit/(loss)   | 7,751                         | (2,559)              | 7,751                                | (2,559)              |
| Finance costs   | <u>(44)</u>                   | <u>(87)</u>          | <u>(44)</u>                          | <u>(87)</u>          |
| <b>Profit/(Loss) before taxation</b>  | 7,707                         | (2,646)              | 7,707                                | (2,646)              |
| Taxation  | <u>(2,969)</u>                | 315                  | <u>(2,969)</u>                       | 315                  |
| <b>Net profit/(loss) from continuing operations</b>                               | <u>4,738</u>                  | <u>(2,331)</u>       | <u>4,738</u>                         | <u>(2,331)</u>       |
| Discontinuing operations  | -                             | -                    | -                                    | -                    |
| <b>Net profit/(loss) for the financial period</b>                                 | <u>4,738</u>                  | <u>(2,331)</u>       | <u>4,738</u>                         | <u>(2,331)</u>       |
| <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  | 4                             | (351)                | 4                                    | (351)                |
| <b>Total comprehensive profit/(loss) for the period</b>                           | <u>4,742</u>                  | <u>(2,682)</u>       | <u>4,742</u>                         | <u>(2,682)</u>       |
| <b>Net profit/(loss) attributable to :</b>  |                               |                      |                                      |                      |
| Owners of the Company   | 4,780                         | (2,287)              | 4,780                                | (2,287)              |
| Non-controlling interests   | <u>(42)</u>                   | <u>(44)</u>          | <u>(42)</u>                          | <u>(44)</u>          |
|   | <u>4,738</u>                  | <u>(2,331)</u>       | <u>4,738</u>                         | <u>(2,331)</u>       |
| <b>Total comprehensive profit/(loss) attributable to:</b>                         |                               |                      |                                      |                      |
| Owners of the Company   | 4,784                         | (2,638)              | 4,784                                | (2,638)              |
| Non-controlling interests   | <u>(42)</u>                   | <u>(44)</u>          | <u>(42)</u>                          | <u>(44)</u>          |
|   | <u>4,742</u>                  | <u>(2,682)</u>       | <u>4,742</u>                         | <u>(2,682)</u>       |
| Basic profit/(loss) per ordinary share (sen)                                      |                               |                      |                                      |                      |
| - from continuing operations  | 0.61                          | (0.42)               | 0.61                                 | (0.42)               |
| - from discontinuing operations   | <u>-</u>                      | <u>-</u>             | <u>-</u>                             | <u>-</u>             |
|   | <u>0.61</u>                   | <u>(0.42)</u>        | <u>0.61</u>                          | <u>(0.42)</u>        |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**

|   | <b>(UNAUDITED)</b><br><b>As At End</b><br><b>Of Current</b><br><b>Quarter</b><br><b>31/03/2019</b><br><b>RM'000</b> | <b>(AUDITED)</b><br><b>As At Preceding</b><br><b>Financial</b><br><b>Year End</b><br><b>31/12/2018</b><br><b>RM'000</b> |
|---|---|---|
| <b>ASSETS</b>                                       |   |   |
| <b>Non-current assets</b>                           |   |   |
| Property, plant and equipment                       | 123,023   | 122,634   |
| Prepaid land lease payments                         | 2,051   | 2,074   |
| Prepaid land lease payments with cultivation rights | 54,707  | 55,200  |
| Other investments                                   | 50  | 50  |
| Timber concession rights                            | 218,000   | 218,000   |
| Inventories - property development costs            | 15,069  | 14,996  |
| Deferred tax assets                                 | 319   | 334   |
|   | 413,219   | 413,288   |
| <b>Current assets</b>                               |   |   |
| Inventories   | 403   | 902   |
| Inventories - property development costs            | 81,565  | 86,253  |
| Trade receivables                                   | 24,588  | 23,630  |
| Contract assets                                     | 101,499   | 77,523  |
| Other receivables, deposits and prepayments         | 29,650  | 30,786  |
| Other investments                                   | 197   | 3,673   |
| Tax recoverable                                     | 54  | 48  |
| Deposits with licensed financial institutions       | 4,748   | 3,643   |
| Cash and bank balances                              | 13,613  | 4,869   |
|   | 256,317   | 231,327   |
| <b>TOTAL ASSETS</b>                                 | <b>669,536</b>  | <b>644,615</b>  |
| <b>EQUITY AND LIABILITIES</b>                       |   |   |
| <b>Equity attributable to Owners of the Company</b> |   |   |
| Share capital                                       | 337,510   | 337,510   |
| Share option reserve                                | 410   | 410   |
| Treasury shares                                     | (155)   | (155)   |
| Reserves:   |   |   |
| - Translation reserve                               | 1,472   | 1,468   |
| - Revaluation reserve                               | 56,611  | 56,611  |
| Accumulated losses                                  | (19,914)  | (24,694)  |
| <b>Shareholders' funds</b>                          | <b>375,934</b>  | <b>371,150</b>  |
| Non-controlling interests                           | 27,470  | 27,512  |
| <b>TOTAL EQUITY</b>                                 | <b>403,404</b>  | <b>398,662</b>  |

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019 - continued**

|  | <b>(UNAUDITED)</b><br><b>As At End</b><br><b>Of Current</b><br><b>Quarter</b><br><b>31/03/2019</b><br><b>RM'000</b> | <b>(AUDITED)</b><br><b>As At Preceding</b><br><b>Financial</b><br><b>Year End</b><br><b>31/12/2018</b><br><b>RM'000</b> |
|--|---|---|
| <b>Non-current liabilities</b>   |   |   |
| Deferred tax liabilities   | 94,902  | 96,412  |
| Finance lease liabilities  | 193   | 213   |
| Bank borrowings  | 70,948  | 67,211  |
|  | 166,043   | 163,836   |
| <b>Current liabilities</b>   |   |   |
| Trade payables   | 56,419  | 45,636  |
| Other payables, deposits and accruals  | 18,612  | 13,741  |
| Amount due to directors  | 5,649   | 674   |
| Finance lease liabilities  | 267   | 337   |
| Bank borrowings  | 13,648  | 19,449  |
| Tax payable  | 5,494   | 2,280   |
|  | 100,089   | 82,117  |
| <b>TOTAL LIABILITIES</b>   | 266,132   | 245,953   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>669,536</b>  | <b>644,615</b>  |
| <b>Net assets per share attributable<br/>to ordinary equity holders of the Company (sen)</b> | <b>48.0</b>   | <b>47.4</b>   |

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 2018 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 2019**

(The figures have not been audited)

|  | ←----- Attributable to owners of the Company -----→ |                              |                                   |                             |                                 | Total<br>RM'000 | Non-controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|---|------------------------------|-----------------------------------|-----------------------------|---------------------------------|-----------------|--|---------------------------|
|  | Share<br>Capital<br>RM'000                          | Treasury<br>Shares<br>RM'000 | Share Option<br>Reserve<br>RM'000 | Other<br>Reserves<br>RM'000 | Accumulated<br>Losses<br>RM'000 |                 |  |                           |
| <b><u>3 months ended 31 March 2019</u></b>                 |   |                              |                                   |                             |                                 |                 |  |                           |
| As at 1 January 2019                                       | 337,510   | (155)                        | 410                               | 58,079                      | (24,694)                        | 371,150         | 27,512                                 | 398,662                   |
| Total comprehensive profit for the period                  | -   | -                            | -                                 | -                           | 4,780                           | 4,780           | (42)                                   | 4,738                     |
| Exchange differences on translation of<br>foreign entities | -   | -                            | -                                 | 4                           | -                               | 4               | -                                      | 4                         |
| As at 31 March 2019  | 337,510   | (155)                        | 410                               | 58,083                      | (19,914)                        | 375,934         | 27,470                                 | 403,404                   |
| <b><u>3 months ended 31 March 2018</u></b>                 |   |                              |                                   |                             |                                 |                 |  |                           |
| As at 1 January 2018                                       | 266,106   | (155)                        | 352                               | 57,819                      | (30,073)                        | 294,049         | 27,697                                 | 321,746                   |
| Total comprehensive loss for the period                    | -   | -                            | -                                 | -                           | (2,287)                         | (2,287)         | (44)                                   | (2,331)                   |
| Exchange differences on translation of<br>foreign entities | -   | -                            | -                                 | 351                         | -                               | 351             | -                                      | 351                       |
| As at 31 March 2018  | 266,106   | (155)                        | 352                               | 58,170                      | (32,360)                        | 292,113         | 27,653                                 | 319,766                   |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**  
(The figures have not been audited)

**CUMULATIVE QUARTER**  
**Current**                    **Preceding Year**  
**Quarter**                    **Corresponding**  
   **Quarter**  
**31/03/2019**                    **31/03/2018**  
**RM'000**                         **RM'000**

**OPERATING ACTIVITIES**

|                               |       |         |
|-------------------------------|-------|---------|
| Profit/(Loss) before taxation | 7,707 | (2,646) |
|-------------------------------|-------|---------|

Adjustments for:-

|  |      |      |
|--|------|------|
| Amortisation of prepaid land lease payments                            | 23   | 23   |
| Amortisation of prepaid land lease payments with cultivation rights    | 493  | 493  |
| Depreciation   | 698  | 707  |
| Unrealised gain on foreign exchange                                    | (2)  | -    |
| Allowance for expected credit losses in contract assets                | 87   | -    |
| Allowance for expected credit losses in receivables no longer required | (6)  | -    |
| Bad debt written off   | 3    | -    |
| Interest expense   | 44   | 87   |
| Interest income  | (61) | (40) |
| Loss/(Gain) on disposal of property, plant and equipment               | 1    | (57) |

|  |       |         |
|--|-------|---------|
| Operating profit/(loss) before working capital changes | 8,987 | (1,433) |
|--|-------|---------|

Changes in working capital:

|  |          |         |
|--|----------|---------|
| Inventories                              | 500      | (218)   |
| Contract assets                          | (23,975) | 8,069   |
| Inventories - property development costs | 6,211    | 482     |
| Receivables                              | 182      | (977)   |
| Payables                                 | 15,655   | (4,961) |

|                          |       |     |
|--------------------------|-------|-----|
| Net cash from operations | 7,560 | 962 |
|--------------------------|-------|-----|

|                   |         |         |
|-------------------|---------|---------|
| Interest received | 61      | 40      |
| Interest paid     | (1,640) | (1,289) |
| Tax paid          | (1,250) | (83)    |

|   |              |              |
|---|--------------|--------------|
| <b>Net cash from/(used in) operating activities</b> | <b>4,731</b> | <b>(370)</b> |
|---|--------------|--------------|

**INVESTING ACTIVITIES**

|   |         |         |
|---|---------|---------|
| Purchase of property, plant and equipment               | (1,188) | (1,225) |
| Other investments                                       | 3,476   | 1,496   |
| Proceeds from disposal of property, plant and equipment | 3       | 57      |
| Deposits pledged as security                            | 245     | -       |

|   |              |            |
|---|--------------|------------|
| <b>Net cash from investing activities</b> | <b>2,536</b> | <b>328</b> |
|---|--------------|------------|

**FINANCING ACTIVITIES**

|  |          |          |
|--|----------|----------|
| Advances from Directors                | 4,974    | -        |
| Drawn down of bank borrowings          | 35,470   | 14,322   |
| Repayment of bank borrowings           | (37,534) | (14,825) |
| Repayment of finance lease liabilities | (90)     | (193)    |

|   |              |              |
|---|--------------|--------------|
| <b>Net cash from/(used in) financing activities</b> | <b>2,820</b> | <b>(696)</b> |
|---|--------------|--------------|

|   |        |       |
|---|--------|-------|
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> | 10,087 | (738) |
|---|--------|-------|

|  |   |     |
|--|---|-----|
| <b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b> | 7 | 376 |
|--|---|-----|

|   |       |       |
|---|-------|-------|
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b> | 7,019 | 8,710 |
|---|-------|-------|

|   |               |              |
|---|---------------|--------------|
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b> | <b>17,113</b> | <b>8,348</b> |
|---|---------------|--------------|

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019 - continued**  
(The figures have not been audited)

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

|   | <b>As at<br/>31/03/2019<br/>RM'000</b> | <b>As at<br/>31/03/2018<br/>RM'000</b> |
|---|--|--|
| Deposits with licensed financial institutions                                 | 4,748                                  | 30                                     |
| Cash and bank balances  | <u>13,613</u>                          | <u>8,348</u>                           |
|   | 18,361                                 | 8,378                                  |
| Less: Deposits with licensed banks pledged as security for banking facilities | <u>(1,248)</u>                         | <u>(30)</u>                            |
|   | <b><u>17,113</u></b>                   | <b><u>8,348</u></b>                    |
|   | -                                      |  |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**

**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 2018.

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 2018, 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 2019.

The adoption of the amendments/improvements to MFRSs and new IC Int. including the MFRS 16 *Leases* 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 2018 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 2019 (31 March 2018: RM 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<br>3 months ended |                    |                         |                    | Cumulative Quarter<br>3 months ended |                    |                         |                    |
|-----------------------|-----------------------------------|--------------------|-------------------------|--------------------|--------------------------------------|--------------------|-------------------------|--------------------|
|                       | 31/03/2019                        |                    | 31/03/2018              |                    | 31/03/2019                           |                    | 31/03/2018              |                    |
|                       | Profit/(Loss)<br>Before           |                    | Profit/(Loss)<br>Before |                    | Profit/(Loss)<br>Before              |                    | Profit/(Loss)<br>Before |                    |
|                       | Revenue<br>RM'000                 | Taxation<br>RM'000 | Revenue<br>RM'000       | Taxation<br>RM'000 | Revenue<br>RM'000                    | Taxation<br>RM'000 | Revenue<br>RM'000       | Taxation<br>RM'000 |
| • Property            | 76,505                            | 11,504             | 31,610                  | (158)              | 76,505                               | 11,504             | 31,610                  | (158)              |
| • Industrial supplies | 5,772                             | 71                 | 1,370                   | (22)               | 5,772                                | 71                 | 1,370                   | (22)               |
| • Energy              | -                                 | (670)              | -                       | (559)              | -                                    | (670)              | -                       | (559)              |
| • Investment holding  | -                                 | (2,607)            | -                       | (1,274)            | -                                    | (2,607)            | -                       | (1,274)            |
| • Others              | -                                 | (547)              | -                       | (546)              | -                                    | (547)              | -                       | (546)              |
|                       | <b>82,277</b>                     | <b>7,751</b>       | <b>32,980</b>           | <b>(2,559)</b>     | <b>82,277</b>                        | <b>7,751</b>       | <b>32,980</b>           | <b>(2,559)</b>     |
| Finance costs         | -                                 | (44)               | -                       | (87)               | -                                    | (44)               | -                       | (87)               |
|                       | <b>82,277</b>                     | <b>7,707</b>       | <b>32,980</b>           | <b>(2,646)</b>     | <b>82,277</b>                        | <b>7,707</b>       | <b>32,980</b>           | <b>(2,646)</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 2018.



**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) and 19(B).

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

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

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

There were no additional contingent liabilities or contingent assets since 31 December 2018 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 2019 comprise as below:-

|  | RM'000 |
|--|--------|
| Capital expenditure commitments not provided for |        |
| - Authorised and contracted for                  | 6,192  |
| - Authorised and not contracted for              | 31,117 |
|  | 37,309 |

**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)<br>% | Preceding Quarter |             | Cumulative Quarter |                | Inc/(Dec)<br>% |
|---------------------------------|-----------------|----------------|----------------|-------------------|-------------|--------------------|----------------|----------------|
|                                 | 31/03/2019      | 31/03/2018     |                | 31/12/2018        | 31/03/2019  | 31/03/2018         |                |                |
| <b>Revenue</b>                  |                 |                |                |                   |             |                    |                |                |
| • Property                      | 76,505          | 31,610         | 142%           | 49,521            | 54%         | 76,505             | 31,610         | 142%           |
| • Industrial supplies           | 5,772           | 1,370          | 321%           | 2,247             | 157%        | 5,772              | 1,370          | 321%           |
|                                 | <b>82,277</b>   | <b>32,980</b>  | <b>149%</b>    | <b>51,768</b>     | <b>59%</b>  | <b>82,277</b>      | <b>32,980</b>  | <b>149%</b>    |
| <b>Profit/(Loss) before tax</b> |                 |                |                |                   |             |                    |                |                |
| • Property                      | 11,504          | (158)          | -7381%         | 5,666             | 103%        | 11,504             | (158)          | -7381%         |
| • Industrial supplies           | 71              | (22)           | -423%          | (344)             | -121%       | 71                 | (22)           | -423%          |
| • Energy                        | (670)           | (559)          | 20%            | (656)             | 2%          | (670)              | (559)          | 20%            |
| • Investment holding            | (2,607)         | (1,274)        | 105%           | (942)             | 177%        | (2,607)            | (1,274)        | 105%           |
| • Others                        | (547)           | (546)          | 0%             | (656)             | -17%        | (547)              | (546)          | 0%             |
|                                 | <b>7,751</b>    | <b>(2,559)</b> | <b>-403%</b>   | <b>3,068</b>      | <b>153%</b> | <b>7,751</b>       | <b>(2,559)</b> | <b>-403%</b>   |
| Finance costs                   | (44)            | (87)           | -49%           | (44)              | 0%          | (44)               | (87)           | -49%           |
|                                 | <b>7,707</b>    | <b>(2,646)</b> | <b>-391%</b>   | <b>3,024</b>      | <b>155%</b> | <b>7,707</b>       | <b>(2,646)</b> | <b>-391%</b>   |

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

#### a) Overall Review of Group performance

The Group's revenue grew by approximately 149% to register RM82.3 million vis-à-vis the preceding corresponding quarter, mainly derived from the Property business segment which was in turn attributed to the higher percentage achieved by its Mizumi Residences condominium project in Taman Metropolitan, Kepong. Mizumi Residences condominium project posted substantially higher revenue contribution at RM69.0 million vis-à-vis RM8.5 million in the preceding corresponding quarter contributed by both, higher percentage completion achieved of 10.9% during the quarter under review and sales achievement at 83.2% vis-à-vis the preceding corresponding quarter at 1.5% and 65% respectively. As for the Group's Ganggarak Permai project in Labuan FT, the revenue recognition from phases 3 and 4 have commenced since 4<sup>th</sup> Quarter 2018. In term of revenue, Ganggarak Permai project reported a lower sum RM7.5 million in current quarter vis-à-vis RM23.1 million in the preceding corresponding quarter. The current quarter revenue was contributed mainly by phases 3 and 4 with balance RM1.8 million from phase 2A without any revenue from the completed phase 1. This compared with the preceding corresponding quarter where phase 1 contributed RM16.3 million (completed since August 2018) and remainder from phase 2A.

The significant growth in revenue from Property Business Segment continued to be the main driver resulting in the Group's profit before interest and tax for the current quarter of RM7.8 million vis-à-vis losses of RM2.6 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 184,959  | RM 564,674                        |
| Unbilled sales ('000)                          | RM 38,541   | RM340,350                         |
| Percentage completion - year-to-date           | Phase 1 - 100.0%<br>(March 2018 : 98.9%)<br>Phase 2A – 91.6%<br>(March 2018: 62.4%)<br>Phase 3 – 20.3%<br>(March 2018: Nil)<br>Phase 4 – 44.1%<br>(March 2018: Nil) | 39.7%<br>(March 2018 : 9.5%)      |
| Operating (loss)/profit for the quarter ('000) | (RM 161)  | RM 11,807                         |

Phase 2A of Ganggarak Permai is affordable homes project, where profit margin is minimal from this development. Phases 3 and 4 (consists of 195 units double-storey terrace houses and 22 units shoplots) commenced recognition of Revenue from 4<sup>th</sup> Quarter 2018 and is expected to contribute positively to the profitability of this Business Segment progressively during the financial year. Ganggarak Permai recorded a marginal loss of RM0.161 million mainly due to profit recognised for phases 3 and 4 were insufficient to cover the one-off sales and marketing cost incurred for the units sold during the quarter under review.

Mizumi Residences continued with its strong performance and was the main contributor to the Group's earnings. As at end March 2019, a total booking of 1,344 units was registered which represents 88.9% of the total available units. In relation to the physical progress of the project up to mid April 2019, the podium section of the Main Building works is duly completed whilst the structural frameworks for the condominiums have reached level 29, level 27 and level 14 for block D, E and F respectively out of 41 storeys. Close monitoring and high efficiency of the main contractor resulted in the Main Building works being ahead of schedule and achieved a higher percentage completion at 10.9% during the quarter under review vis-à-vis 5.2% achieved in the immediate preceding quarter.

- **Energy**

The division had submitted to the Energy Commission the final technical and commercial proposal cum project documents in the third quarter of last financial year 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 RM1.74 million out of which, a sum of RM1.15 million was capitalised as the Power Plant's property, plant and equipment.

**b) Review on Performance - Current Quarter compared to Preceding Quarter**

The Group's revenue for the current quarter registered at RM82.3 million, 59% higher than preceding quarter mainly due to the high revenue posted by Mizumi Residences at RM69.0 million (vis-à-vis RM39.7 million in the preceding quarter), mitigate by the lower revenue from the Group's Ganggarak Permai Project at RM7.5 million (vis-a-vis RM9.8 million in the preceding quarter). Under this premises, the Group's profit before interest and tax was higher at RM7.8 million (vis-a-vis RM3.1 million in the preceding quarter).

**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 expects a better financial performance in the current financial year vis-à-vis the preceding financial year. The Group's unbilled progress billings in total stand at approximately RM378.9 million as at end of the current financial quarter under review based on the units sold. This coupled with the unsold units expected to be substantially sold by the forthcoming financial year will support earnings visibility of Tadmax Group's growth prospects for at least the next two years going forward. The growth thereafter will be supported by new launches of property development projects.

In relation to new launches, the current financial year will also witness the launching of phase 2, comprising affordable housing at Taman Metropolitan, Kepong but contribution will only be visible in the next financial year. Further, the Group is constantly on the look out to acquire land bank at much sought after locations and after undertaking the necessary market studies. Presently, a few locations have been identified in achieving this objective.

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. On 7 May 2019, Bank Negara Malaysia reduced the overnight policy rate by 25-basis-point and this is expected to spur property with the increased homebuyers' purchasing power but the upside is expected to be limited.

The Group targets to achieve 100% sales (from presently 88%) of its Mizumi Residences property development project by end of the current financial year. During the current financial year 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 87%) by the end of the current financial year. As for shop offices, all the available units under Phase 4 have been fully taken up. Meanwhile, the Certificate of Fitness for the Phase 2A of Ganggarak Permai has been received on 10 May 2019, ahead of the deadline pursuant to the sale and purchase agreement and will be followed by the delivery of vacant possession.

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<br>(3 months ended) |                      | Cumulative Quarter<br>(3 months ended) |                      |
|--|-------------------------------------|----------------------|--|----------------------|
|  | 31/03/2019<br>RM'000                | 31/03/2018<br>RM'000 | 31/03/2019<br>RM'000                   | 31/03/2018<br>RM'000 |
| Current tax:   |                                     |                      |  |                      |
| Malaysian income tax   | 4,457                               | 1                    | 4,457                                  | 1                    |
| Under provision of<br>Malaysian income tax in<br>prior years | -                                   | -                    | -                                      | -                    |
|  | <u>4,457</u>                        | <u>1</u>             | <u>4,457</u>                           | <u>1</u>             |
| Deferred tax   | <u>(1,488)</u>                      | <u>(316)</u>         | <u>(1,488)</u>                         | <u>(316)</u>         |
| Total taxation   | <u>2,969</u>                        | <u>(315)</u>         | <u>2,969</u>                           | <u>(315)</u>         |

Included in the income tax figure for the quarter ended 31 March 2019 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 inventories - property development costs, 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) 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.

*(C) 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 March 2019 is set out below :-

|    | Purpose                                      | Allocation per Circular (RM'000) | Revised Allocation (N1) (RM'000) | Adjusted Allocation in 4th Qtr 2018 (RM'000) | Actual Utilisation to 31 Mar 2019 (RM'000) | Balance (RM'000) | Timeframe for utilisation |
|----|--|----------------------------------|----------------------------------|--|--|------------------|---------------------------|
| 1) | Power plant project costs                    | 18,000                           | 11,000                           | 9,500  | 7,745                                      | 1,755            | Within 9 months           |
| 2) | Property development costs                   | 12,500                           | 7,800                            | 6,800  | 4,915                                      | 1,885            | Within 9 months           |
| 3) | Working capital                              | 4,518                            | 2,938                            | 5,438  | 5,438                                      | -                | Within 9 months           |
| 4) | Estimated expenses for the Private Placement | 500                              | 326                              | 326  | 326  | -                | Within 1 month            |
|    |  | 35,518                           | 22,064                           | 22,064                                       | 18,424                                     | 3,640            |                           |

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:-

|                                      | <b>As at<br/>31/03/2019<br/>RM'000</b> | <b>As at<br/>31/03/2018<br/>RM'000</b> |
|--------------------------------------|--|--|
| (a) Current borrowings – secured     |  |  |
| Term loans                           | 6,286                                  | 15,286                                 |
| Bridging Loans                       | 6,564                                  | 15,722                                 |
| Finance lease payable                | 267                                    | 457                                    |
| Trade loan payable                   | 798                                    | -                                      |
|                                      | <u>13,915</u>                          | <u>31,465</u>                          |
| (b) Non-current borrowings – secured |  |  |
| Term loans                           | 1,405                                  | 22,391                                 |
| Bridging Loan                        | 69,543                                 | 12,132                                 |
| Finance lease payable                | 193                                    | 442                                    |
|                                      | <u>71,141</u>                          | <u>34,965</u>                          |

All the Group borrowings are denominated in Malaysian currency and are secured. Both, term loans and bridging loans increased by RM18.3 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 and Ganggarak Permai in Ganggarak, Labuan FT. During the quarter, the term loans and bridging loans drawdown totals RM34.7 million whilst the repayment amount was RM37.5 million. The above loans bear interest rate ranged from 6.35% to 8.75% per annum.

**21. Trade Receivables**

The Trade Receivables and corresponding ageing of the Group as at 31 March 2019 are as follow:-

|   | Total         |             |
|---|---------------|-------------|
|   | RM'000        |             |
| Trade receivables                         | 24,723        |             |
| Less : Allowance for Expected Credit Loss | (135)         |             |
|   | <u>24,588</u> |             |
| <b>Normal Terms:</b>                      |               |             |
|   | RM'000        | %           |
| Neither past due nor impaired             | 19,068        | 77.6%       |
| Past due 31 to 60 days not impaired       | 2,767         | 11.3%       |
| Past due 61 to 90 days not impaired       | 764           | 3.1%        |
| Past due > 91 days not impaired           | 1,853         | 7.5%        |
| Past due > 91 days impaired               | 136           | 0.6%        |
|   | <u>24,588</u> | <u>100%</u> |

Trade receivables have a slight increase by RM0.96 million vis-à-vis the preceding quarter due mainly to the higher progress billings issued to end-purchasers during the quarter under review. Included in the trade receivables is retention sum of RM6.4 million (31 December 2018 : RM6.4 million) held and will be released in due time pursuant to the Housing Development (Control and Licensing) Act 1966.

There are no trade receivables from related parties and approximately 21.8% 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 ranged from 30 to 60 days term.

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

There were no outstanding derivatives as at 31 March 2019

**(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 2019.

**23. Material Litigation**

There was no other material litigation pending as at 24 May 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 March 2019 (31 March 2018: RM Nil).



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

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

|  | <b>Current<br/>Quarter<br/>31/03/2019</b> | <b>Cumulative<br/>Quarter<br/>31/03/2019</b> |
|--|---|--|
| Earnings for the financial period attributable to equity holders of the Company (RM'000) | 4,780                                     | 4,780  |
| Weighted average number of ordinary shares in issue ('000)                               | 783,287                                   | 783,287                                      |
| Basic earnings per share (sen)   | 0.61                                      | 0.61   |

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

|   | <b>Current<br/>Quarter<br/>31/03/2019<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/2019<br/>RM'000</b> |
|---|--|---|
| <i>Profit/(Loss) for the period is arrived at after crediting:-</i> |  |   |
| Interest income   | 61   | 61  |
| Unrealised gain on foreign exchange                                 | 2  | 2   |
| Allowance for expected credit losses no longer required             | 6  | 6   |
| <i>and after charging:-</i>   |  |   |
| Interest expense  | 44   | 44  |
| Rental of property  | 67   | 67  |
| Rental of equipment   | 3  | 3   |
| Loss on disposal of property, plant and equipment                   | 1  | 1   |
| Bad debts written off   | 3  | 3   |
| Allowance for expected credit losses in contract assets             | 87   | 87  |
| Depreciation of property, plant and equipment                       | 698  | 698   |
| 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 2019.

**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 30 May 2019.

END