

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2019
(The figures have not been audited)

	2nd Quarter 3 months ended		Cumulative to Date 6 months ended	
	30/06/2019 RM'000	30/06/2018 RM'000	30/06/2019 RM'000	30/06/2018 RM'000
Continuing Operations				
Revenue	70,623	41,069	152,900	74,049
Cost of sales	<u>(57,117)</u>	<u>(33,854)</u>	<u>(122,805)</u>	<u>(64,477)</u>
Gross profit	13,506	7,215	30,095	9,572
Other operating income	99	36	244	155
Operating expenses	<u>(5,579)</u>	<u>(6,147)</u>	<u>(14,623)</u>	<u>(11,222)</u>
Operating profit/(loss)	8,026	1,104	15,716	(1,495)
Finance income	122	62	183	102
Finance costs	<u>(47)</u>	<u>(121)</u>	<u>(91)</u>	<u>(208)</u>
Profit/(Loss) before taxation	8,101	1,045	15,808	(1,601)
Taxation	<u>(2,005)</u>	<u>(927)</u>	<u>(4,974)</u>	<u>(612)</u>
Net profit/(loss) from continuing operations	6,096	118	10,834	(2,213)
Discontinuing operations	-	-	-	-
Net profit/(loss) for the financial period	6,096	118	10,834	(2,213)
Other comprehensive income/(loss), net of tax				
Items that will be reclassified subsequently to profit or loss, net of tax				
- Foreign currency translation	(117)	691	(113)	340
Total comprehensive profit/(loss) for the period	5,979	809	10,721	(1,873)
Net profit/(loss) attributable to :				
Owners of the Company	6,139	163	10,919	(2,124)
Non-controlling interests	<u>(43)</u>	<u>(45)</u>	<u>(85)</u>	<u>(89)</u>
	6,096	118	10,834	(2,213)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	6,022	854	10,806	(1,784)
Non-controlling interests	<u>(43)</u>	<u>(45)</u>	<u>(85)</u>	<u>(89)</u>
	5,979	809	10,721	(1,873)
Basic profit/(loss) per ordinary share (sen)				
- from continuing operations	0.78	0.02	1.39	(0.34)
- from discontinuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	0.78	0.02	1.39	(0.34)

(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 30 JUNE 2019

	(UNAUDITED) As At End Of Current Quarter 30/06/2019 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	123,339	122,634
Prepaid land lease payments	2,027	2,074
Prepaid land lease payments with cultivation rights	54,214	55,200
Other investments	50	50
Timber concession rights	218,000	218,000
Inventories - property development costs	17,055	14,996
Deferred tax assets	312	334
	414,997	413,288
Current assets		
Inventories	154	902
Inventories - property development costs	65,568	86,253
Trade receivables	23,523	23,630
Contract assets	101,183	77,523
Other receivables, deposits and prepayments	31,575	30,786
Other investments	-	3,673
Tax recoverable	65	48
Deposits with licensed financial institutions	10,048	3,643
Cash and bank balances	5,419	4,869
	237,535	231,327
TOTAL ASSETS	652,532	644,615
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	337,510	337,510
Share option reserve	410	410
Treasury shares	(155)	(155)
Reserves:		
- Translation reserve	1,355	1,468
- Revaluation reserve	56,611	56,611
Accumulated losses	(13,775)	(24,694)
Shareholders' funds	381,956	371,150
Non-controlling interests	27,430	27,512
TOTAL EQUITY	409,386	398,662

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 - continued

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30/06/2019 RM'000	As At Preceding Financial Year End 31/12/2018 RM'000
Non-current liabilities		
Deferred tax liabilities	93,662	96,412
Finance lease liabilities	238	213
Bank borrowings	48,512	67,211
	142,412	163,836
Current liabilities		
Trade payables	62,680	45,636
Other payables, deposits and accruals	21,589	13,741
Amount due to directors	5,640	674
Finance lease liabilities	210	337
Bank borrowings	2,778	19,449
Tax payable	7,837	2,280
	100,734	82,117
TOTAL LIABILITIES	243,146	245,953
TOTAL EQUITY AND LIABILITIES	652,532	644,615
Net assets per share attributable to ordinary equity holders of the Company (sen)	48.8	47.4

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 30 JUNE 2019

(The figures have not been audited)

	←----- Attributable to owners of the Company -----→					Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Option Reserve RM'000	Other Reserves RM'000	Accumulated Losses RM'000			
<u>6 months ended 30 June 2019</u>								
As at 1 January 2019	337,510	(155)	410	58,079	(24,694)	371,150	27,512	398,662
Total comprehensive profit/(loss) for the period	-	-	-	-	10,919	10,919	(85)	10,834
Acquisition of non-controlling interests	-	-	-	-	-	-	3	3
Exchange differences on translation of foreign entities	-	-	-	(113)	-	(113)	-	(113)
As at 30 June 2019	<u>337,510</u>	<u>(155)</u>	<u>410</u>	<u>57,966</u>	<u>(13,775)</u>	<u>381,956</u>	<u>27,430</u>	<u>409,386</u>
<u>6 months ended 30 June 2018</u>								
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	-	-	-	-	(2,124)	(2,124)	(89)	(2,213)
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
Issuance of shares pursuant to private placement	21,526	-	-	-	-	21,526	-	21,526
Expenses from issue of placement shares	(158)	-	-	-	-	(158)	-	(158)
Exchange differences on translation of foreign entities	-	-	-	340	-	340	-	340
As at 30 June 2018	<u>336,974</u>	<u>(155)</u>	<u>352</u>	<u>58,159</u>	<u>(32,197)</u>	<u>363,133</u>	<u>27,608</u>	<u>390,741</u>

(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 30 JUNE 2019
(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter
	30/06/2019	30/06/2018
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	15,808	(1,601)
<u>Adjustments for:-</u>		
Amortisation of prepaid land lease payments	46	46
Amortisation of prepaid land lease payments with cultivation rights	986	986
Depreciation	1,386	1,421
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	91	208
Interest income	(183)	(102)
Loss/(Gain) on disposal of property, plant and equipment	10	(57)
Operating profit before working capital changes	<u>18,228</u>	<u>901</u>
<u>Changes in working capital:</u>		
Inventories	749	(324)
Contract assets	(23,660)	(4,325)
Inventories - property development costs	21,429	(7,014)
Receivables	(677)	2,169
Payables	24,892	8,914
Net cash from operations	40,961	321
Interest received	183	102
Interest paid	(2,894)	(2,580)
Tax paid	(2,147)	(165)
Net cash from/(used in) operating activities	<u>36,103</u>	<u>(2,322)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note 1)	(2,116)	(2,375)
Other investments	3,673	(15,425)
Proceeds from disposal of property, plant and equipment	34	57
Deposits pledged as security	245	(259)
Proceeds from issuance of shares pursuant to private placement	-	21,526
Share issuance expenses	-	(158)
Net cash from investing activities	<u>1,836</u>	<u>3,366</u>
FINANCING ACTIVITIES		
Advances from/(Repayment to) Directors	4,965	(60)
Drawn down of bank borrowings	48,225	27,930
Repayment of bank borrowings	(83,594)	(31,181)
Repayment of finance lease liabilities	(216)	(317)
Net cash used in financing activities	<u>(30,620)</u>	<u>(3,628)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,319	(2,584)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(119)	363
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>7,019</u>	<u>8,710</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>14,219</u>	<u>6,489</u>

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 - continued
(The figures have not been audited)

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

	As at 30/06/2019 RM'000	As at 30/06/2018 RM'000
Deposits with licensed financial institutions	10,048	1,739
Cash and bank balances	5,419	5,039
	15,467	6,778
Less: Deposits with licensed banks pledged as security for banking facilities	(1,248)	(289)
	14,219	6,489

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NOTE 1 - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM2,231,000 of which RM115,000 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 RM2,116,000.

(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.)

Notes to the Condensed Consolidated Interim Financial Statements
For the quarter ended 30 June 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 30 June 2019 (30 June 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 3 months ended				Cumulative Quarter 6 months ended			
	30/06/2019		30/06/2018		30/06/2019		30/06/2018	
	Profit/(Loss) Before		Profit/(Loss) Before		Profit/(Loss) Before		Profit/(Loss) Before	
	Revenue RM'000	Taxation RM'000	Revenue RM'000	Taxation RM'000	Revenue RM'000	Taxation RM'000	Revenue RM'000	Taxation RM'000
• Property	68,071	10,374	39,969	4,452	144,576	21,878	71,580	4,294
• Industrial supplies	2,552	(11)	1,100	(134)	8,324	60	2,469	(156)
• Energy	-	(589)	-	(492)	-	(1,259)	-	(1,051)
• Investment holding	-	(1,081)	-	(2,110)	-	(3,688)	-	(3,384)
• Others	-	(545)	-	(550)	-	(1,092)	-	(1,096)
	70,623	8,148	41,069	1,166	152,900	15,899	74,049	(1,393)
Finance costs	-	(47)	-	(121)	-	(91)	-	(208)
	70,623	8,101	41,069	1,045	152,900	15,808	74,049	(1,601)

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 except for the acquisition of the remainder 30% equity interests (not held by the Company) in Tadmax Permai Sdn Bhd, an inactive company, for cash consideration of RM1, making it a wholly owned subsidiary of the Company with effect from 3 April 2019.

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 30 June 2019 comprise as below:-

	RM'000
Capital expenditure commitments not provided for	
- Authorised and contracted for	5,840
- Authorised and not contracted for	30,860
	<u>36,700</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	
	30/06/2019	30/06/2018				30/06/2019	30/06/2018
Revenue							
• Property	68,071	39,969	70%	76,505	-11%	144,576	71,580
• Industrial supplies	2,552	1,100	132%	5,772	-56%	8,324	2,469
	70,623	41,069	72%	82,277	-14%	152,900	74,049
Profit/(Loss) before tax							
• Property	10,374	4,452	133%	11,504	-10%	21,878	4,294
• Industrial supplies	(11)	(134)	-92%	71	-115%	60	(156)
• Energy	(589)	(492)	20%	(670)	-12%	(1,259)	(1,051)
• Investment holding	(1,081)	(2,110)	-49%	(2,607)	-59%	(3,688)	(3,384)
• Others	(545)	(550)	-1%	(547)	0%	(1,092)	(1,096)
	8,148	1,166	599%	7,751	5%	15,899	(1,393)
Finance costs	(47)	(121)	-61%	(44)	7%	(91)	(208)
	8,101	1,045	675%	7,707	5%	15,808	(1,601)

Review on Performance - Current Quarter compared to Corresponding Quarter

a) Overall Review of Group performance

Mizumi Residence continued with its strong performance leading to the Group's revenue grew by approximately 72% to register at RM70.6 million vis-à-vis the preceding corresponding quarter. This strong performance was achieved on the back of higher percentage completion achieved by Mizumi Residences condominium project in Taman Metropolitan, Kepong. Mizumi Residences condominium project posted substantially higher revenue contribution at RM56.7 million vis-à-vis RM31.7 million in the preceding corresponding quarter contributed by both, higher percentage completion achieved of 6.9% during the quarter under review and sales achievement at 88.1% vis-à-vis the preceding corresponding quarter at 6.3% and 69.0% respectively. As for the Group's Ganggarak Permai project in Labuan FT, the revenue recognition from phases 3 and 4 have commenced since 4th Quarter 2018 where in term of revenue, Ganggarak Permai project also reported a higher Revenue at RM11.4 million in current quarter vis-à-vis RM8.3 million in the preceding corresponding quarter. The current quarter revenue was contributed mainly by phases 3 and 4 with balance RM4.0 million from phase 2A. This compared with the preceding corresponding quarter where phases 1 & 2A contributed RM8.3 million (completed since August 2018).

The strong performance of Mizumi Residences lead to the property segment profit before tax contribution of RM10.4 million and set-off by the losses incurred by its Energy and Investment Holding Business segments, the Group recorded a significantly higher profit before interest and tax for the current quarter of RM8.1 million vis-à-vis RM1.2 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 197,399	RM 602,304
Unbilled sales ('000)	RM 39,589	RM 321,307
Percentage completion - year-to-date	Phase 1 - 100.0% (June 2018: 98.05%) Phase 2A -100% (June 2018: 80.73%) Phase 3 - 27.9% (June 2018: Nil) Phase 4 -52.5% (June 2018: Nil)	46.6% (June 2018 : 15.78%)
Operating profit for the quarter ('000)	RM 83	RM 10,324

During the quarter under review, the Group achieved another milestone with the delivery of vacant possession of Phase 2A of Ganggarak Permai which was duly completed with the issuance of Certificate of Fitness on 10 May 2019. The remainder Phases 3 and 4 (consists of 195 units double-storey terrace houses and 22 units shoplots) commenced recognition of Revenue from 4th Quarter 2018 and is expected to contribute positively to the profitability of this Business segment progressively during the financial year. Ganggarak Permai recorded a profit of RM0.1 million for the quarter under review (vis-à-vis an operating loss of RM0.7 million in the preceding corresponding quarter) supported by profit recognised from phases 3 and 4.

As mentioned above, Mizumi Residences continued with its strong performance and was the main contributor to the Group's earnings. As at end June 2019, a total booking of 1,415 units was registered which represents 93.6% of the total available units. In relation to the physical progress of the project up to end July 2019, the structural frameworks for the condominiums have reached level 38, level 36 and level 23 for block D, E and F respectively out of 41 storeys. The percentage of completion of 6.9% achieved during the quarter coupled with the sales at 88.1%, resulted in the operation profit of RM10.3 million achieved during the quarter under review.

- Energy

The Group is presently awaiting for the decision of the Energy Commission following submission to the Energy Commission ("EC") the final technical and commercial proposal cum project documents in the third quarter of last financial year. With full compliance with all the requirements of all relevant government agencies, the Group is hopeful to receiving the approval of the EC where the Group will thereafter proceed to undertake financial close. On the financial aspect of this Energy Business segment, total cost incurred for the current reporting quarter amounted to RM1.46 million out of which, a sum of RM0.88 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 RM70.6 million, 14% lower than preceding quarter mainly due to the lower revenue posted by Mizumi Residences at RM56.7 million (vis-à-vis RM69.0 million in the preceding quarter). Industrial Supplies Business segment also reported a lower turnover by RM3.2 mil at RM2.6 million, mitigate by the higher revenue from the Group's Ganggarak Permai Project at RM11.4 million (vis-a-vis RM7.5 million in the preceding quarter). Despite lower Revenue, the Group's profit before interest and tax was higher at RM8.1 million (vis-a-vis RM7.8 million in the preceding quarter) due mainly to lower expenditure incurred by Investment Holding Business segment by RM1.5 million.

16. Prospects

The cumulative six months profit after tax reported during the current quarter at RM10.8 million has surpassed the full twelve months ended 31 December 2018 audited profit after tax of RM5.2 million, representing an increased by 108%. As reported in the preceding quarter, the Group's Mizumi Residences property development project in Taman Metropolitan, Kepong has and will continue to spearhead the Group towards attaining this favourable results in the next two financial year. On this premise, our Board of Directors expects a much improved financial performance in the current financial year vis-à-vis the preceding financial year.

The 1,520 units of affordable homes under the name Residensi Metro Kepong in Taman Metropolitan, Kepong is scheduled to be launched in the 2nd half of 2019. The units are priced between RM188,000 to RM198,000. Registration has commenced sometime end of July 2019 vide the 'Residensi Wilayah' portal under the auspices of the Ministry of Federal Territory. To-date, the registration was overwhelming where the numbers registered exceeding the available units. Presently at the site location of this project, piling works are in progress.

Business conditions will continue to be challenging and expected to persist in the next few years. 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 reduction in the overnight policy rate by 25-basis-point by Bank Negara Malaysia on 7 May 2019 is expected to spur property albeit the upside is expected to be limited.

For its Phase 3 terrace houses in Ganggarak Permai in Labuan FT, the Group will focus to achieve 100% sales (from presently 92%) by the end of the current financial year. As for shop offices, all the available units under Phase 4 have been fully taken up.

The Group's Energy business segment 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 ("EC") on 31 July 2018, the Group is now awaiting for the approval from the EC with financial close and construction to commence thereafter.

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 (6 months ended)	
	30/06/2019 RM'000	30/06/2018 RM'000	30/06/2019 RM'000	30/06/2018 RM'000
Current tax:				
Malaysian income tax	3,230	1,702	7,687	1,703
Deferred tax	(1,225)	775	(2,713)	(1,091)
Total taxation	<u>2,005</u>	<u>927</u>	<u>4,974</u>	<u>612</u>

Included in the income tax figure for the quarter ended 30 June 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 the 1st quarter of 2019, the Group has appointed Hong Leong Investment Bank Berhad as the Principal Adviser, Lead Arranger and Lead Manager in relation to the proposed fund raising for the Project.

In relation to the status of the Project vis-à-vis the indicative timeline, the Project is presently behind its established timeline and presently awaiting for the approval of the EC. With full compliance with all the requirements of all relevant government agencies, the Group is hopeful to receiving the approval of the EC before moving forward with 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 30 June 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 30 June 2019 (RM'000)	Balance (RM'000)	Timeframe for utilisation
1)	Power plant project costs	18,000	11,000	9,500	9,063	437	Within 9 months
2)	Property development costs	12,500	7,800	6,800	5,415	1,385	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	20,242	1,822	

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

The time frame for the utilisation of the proceeds arising from private placement is expected to extend to be fully utilised by the end of the current financial year.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-	As at 30/06/2019 RM'000	As at 30/06/2018 RM'000
(a) Current borrowings – secured		
Term loans	1,619	14,286
Bridging Loans	280	17,404
Finance lease payable	210	432
Trade loan payable	879	661
	<u>2,988</u>	<u>32,783</u>
(b) Non-current borrowings – secured		
Term loans	-	7,381
Bridging Loan	48,512	23,051
Finance lease payable	238	342
	<u>48,750</u>	<u>30,774</u>

All the Group borrowings are denominated in Malaysian currency and are secured. Both, term loans and bridging loans decreased by RM33.4 million or 39.8% as compared to the preceding quarter following full settlement of the facilities with the completion of Ganggarak Permai's Phase 2A and also part settlement of the facilities of Mizumi Residences from the progress billings issued to end-purchasers. The remainder outstanding bridging loans are substantially applied towards financing the Group's property development project, Mizumi Residences at Taman Metropolitan, Kepong in Kuala Lumpur. During the quarter, the term loans and bridging loans drawdown totals RM12.7 million whilst the repayment amount was RM46.1 million. The above loans bear interest rate ranged from 6.28% to 8.75% per annum.

On 27 June 2019, the Company's wholly owned subsidiary, Wawasan Metro Bina Sdn Bhd ("WMB") had accepted a revised Banking Facilities from presently Ringgit Malaysia One Hundred and Seventy Million (RM170,000,000.00) to Ringgit Malaysia One Hundred Eighty Six Million Seven Hundred and Fourteen Thousand (RM186,714,000.00) only granted by United Overseas Bank (Malaysia) Bhd to fund WMB's new affordable property development project named Residensi Metro Kepong located at Taman Metropolitan Kepong which development comprise 1,520 units Affordable Apartments to be launched under 'Residensi Wilayah' which comes under the auspices of the Ministry of Federal Territory.

21. Trade Receivables

The Trade Receivables and corresponding ageing of the Group as at 30 June 2019 are as follow:-

	Total	
	RM'000	
Trade receivables	23,658	
Less : Allowance for Expected Credit Loss	(135)	
	<u>23,523</u>	
Normal Terms:		
	RM'000	%
Neither past due nor impaired	17,366	73.8%
Past due 31 to 60 days not impaired	3,021	12.8%
Past due 61 to 90 days not impaired	1,683	7.2%
Past due > 91 days not impaired	1,404	6.0%
Past due > 91 days impaired	49	0.2%
	<u>23,523</u>	<u>100%</u>

Trade receivables are in a healthy position and close to the amount as at 31 December 2018 and 4.3% lower when compared with the preceding quarter trade receivables. Included in the trade receivables is retention sum of RM8.1 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 16.3% of the trade receivables were due from three 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 30 June 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 30 June 2019.

23. Material Litigation

There was no other material litigation pending as at 22 August 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 30 June 2019 (30 June 2018: RM Nil).

25. Earnings Per Share

a) Basic Earnings Per Share

	Current Quarter 30/06/2019	Cumulative Quarter 30/06/2019
Earnings for the financial period attributable to equity holders of the Company (RM'000)	<u>6,139</u>	<u>10,919</u>
Weighted average number of ordinary shares in issue ('000)	<u>783,287</u>	<u>783,287</u>
Basic earnings per share (sen)	<u>0.78</u>	<u>1.39</u>

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

	Current Quarter 30/06/2019 RM'000	Cumulative Quarter 30/06/2019 RM'000
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Interest income	122	183
Rental income	7	9
Allowance for expected credit losses no longer required	<u>-</u>	<u>6</u>
<i>and after charging:-</i>		
Interest expense	47	91
Rental of property	76	143
Rental of equipment	4	7
Loss on disposal of property, plant and equipment	9	10
Bad debts written off	-	3
Allowance for expected credit losses in contract assets	-	87
Depreciation of property, plant and equipment	688	1,386
Amortisation of prepaid land lease payments	23	46
Amortisation of prepaid land lease payments with cultivation rights	<u>493</u>	<u>986</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 June 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 29 August 2019.

END