

PROPOSED ESTABLISHMENT OF JOINT VENTURE WITH BUMIMAS RAYA SDN BHD, PACIFIC INTER-LINK SDN BHD, YAKIN DIJAYA SDN BHD AND AL SALAM BANK BAHRAIN VIA TULEN JAYAMAS SDN BHD AS THE JOINT VENTURE COMPANY (“Proposed JV”)

1. INTRODUCTION

The Board of Directors of Tadmax Resources Berhad (formerly known as Wijaya Baru Global Berhad) (“TRB” or “Company”) wishes to announce that the Company had entered into a conditional Joint Venture Agreement (“JV Agreement”) on 3 August 2012, with Bumimas Raya Sdn Bhd (“BRSB”), Pacific Inter-Link Sdn Bhd (“PIL”), Yakin Dijaya Sdn Bhd (“YDSB”) and Al Salam Bank Bahrain (“ASBB”) for the establishment of a proposed joint venture company, namely Tulen Jayamas Sdn Bhd (“TJSB” or “JV Company”) for the construction of an Integrated Timber Complex at District of Jair and District of Mandobo, Boven Digoel Regency, Papua Province, Republic of Indonesia (“Subject Properties”) and on completion undertaking the business of processing timber logs extracted from the Subject Properties into plywood, sawn timber, wood chips and other timber products as TJSB’s Board may determine from time to time (“Project”).

(hereinafter BRSB, PIL, TRB, YDSB and ASBB shall be collectively referred to as “Parties”)

2. INFORMATION ON THE JV COMPANY

TJSB was incorporated in Malaysia under the Companies Act, 1965 on 23 August 2007 as a private limited company. At present, the authorized share capital of TJSB is RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each of which 2 shares of RM1.00 each have been issued and fully paid-up. TJSB is currently a dormant company and its registered office is located at Lot 516, Jalan Datuk Edward Jeli, Piasau Industrial Estate, 98000 Miri, Sarawak, Malaysia.

The existing Directors, shareholders and their respective shareholdings are as follows:

Board of Directors	Shareholders	Number of Shares Held
Kong Lee Luang	Kong Lee Luang	1
Ling Lu Siong	Ling Lu Siong	1
	Total	2

3. INFORMATION ON THE PARTIES TO THE PROPOSED JV

a) Information on BRSB

BRSB was incorporated in Malaysia under the Companies Act, 1965 on 23 April 2008 as a private limited company. At present, the authorized share capital of BRSB is RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each of which 4 shares of RM1.00 each have been issued and fully paid-up. BRSB is currently a dormant

company and its registered office is situated at Lot 515, Jalan Datuk Edward Jeli, Piasau Industrial Estate, 98000 Miri, Sarawak, Malaysia.

The existing Directors, shareholders and their respective shareholdings are as follows:

Board of Directors	Shareholders	Number of Shares Held
Tan Sri Datuk Ling Chiong Ho	Tan Sri Datuk Ling Chiong Ho	1
Ling Chiong Sing	Ling Chiong Sing	1
Ling Chiong Pin	Kong Lee Luang	1
Ling Chiong Sieng	Vincent Ling Lu Yew	1
	Total	4

b) Information on PIL

PIL was incorporated in Malaysia under the Companies Act, 1965 on 22 June 1988 as a private limited company. At present, the authorized share capital of PIL is RM10,000,000.00 divided into 10,000,000 ordinary shares of RM1.00 each of which 10,000,000 shares of RM1.00 each have been issued and fully paid-up. The principal activities of PIL are importers and exporters of raw materials, palm oil products and its derivatives, consumer goods, timber products and building materials and having its office at 31st Floor, Menara Dato' Onn, Putra World Trade Centre, 45 Jalan Tun Ismail, 50480 Kuala Lumpur, Malaysia.

The existing Directors, shareholders and their respective shareholdings are as follows:

Board of Directors	Shareholder	Number of Shares Held
Fouad Hayel Saeed Anam	Commodities House Investments Ltd	10,000,000
Salah Ahmed Hayel Saeed	-	-
Marwan Ahmed Hayel Saeed	-	-
Kamal Abdelhafiz Abdelkarim Musad	-	-
Avinash Chander Bhandari	-	-
Jadhav Milind Madhukar	-	-
	Total	10,000,000

c) Information on YDSB

YDSB was incorporated in Malaysia under the Companies Act, 1965 on 17 May 2012 as a private limited company. At present, the authorized share capital of YDSB is RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each of which 100 shares of RM1.00 each have been issued and fully paid-up. YDSB is currently a dormant company and its registered office is located at No. 63-66, 1st Floor, Kueh Hock Kui Commercial Centre, Jalan Tun Ahmad Zaidi Aduce, 93150 Kuching, Sarawak, Malaysia.

The existing Directors, shareholders and their respective shareholdings are as follows:

Board of Directors	Shareholders	Number of Shares Held
Ling Chiong Sieng	Ling Chiong Sieng	34
Yee Ming Seng	Yee Ming Seng	64
-	Zatizam Binti Zahari	1
-	Zalifah Binti Kadis	1
	Total	100

d) Information on ASBB

ASBB was incorporated in Kingdom of Bahrain on 19 January 2006 and is a company listed on Bahrain Stock Exchange and Dubai Financial Market. As at 31 December 2011, the authorized share capital of ASBB is BD 200,000,000 (equivalent to RM1,660,000,000 at the exchange rate of BD 1 : RM8.30) divided into 2,000,000,000 ordinary shares of BD 0.100 each of which 1,497,063,825 shares of BD 0.100 each have been issued and fully paid-up. The principal activity of ASBB is in retail banking operating under Islamic principles and having its registered address at P.O. Box 18282, Building 22, Avenue 58, Block 436, Al Seef District , Kingdom of Bahrain..

The existing Directors are as follows:

- i) Shaikha Hessa bint Khalifa bin Hamad Al Khalifa
- ii) Hamad Tarek Alhomaizi
- iii) Hussein Mohammed Al Meeza
- iv) Habib Ahmed Kassem
- v) Essam bin Abdulkadir Al Muhaideb
- vi) Salman Saleh Al Mahmeed
- vii) Fahad Sami Al Ebrahim
- viii) Mohammed Omeir Yussof
- ix) Salem Rashed Saeed Al Mohannadi
- x) Adnan Abdulla Al Bassam
- xi) Yousif Abdulla Taqi
- xii) Khalid Ahmed Abdulla Al Ashar

The substantial shareholder as at 31 December 2011 is Global Mena Macro Fund Company with shareholding of 171,033,800 shares (11.42%) in ASBB.

4. SALIENT TERMS OF THE JV AGREEMENT

- a) The shares to be issued and allotted shall be in the amounts and proportions set out below:-

Parties	Number of Shares	Share Ratio (%)
BRSB	50,500	50.5
PIL	25,500	25.5
TRB	14,000	14.0

YDSB	2,000	2.0
ASBB	8,000	8.0
Total	100,000	100.0

- b) In the event the JV Company requires additional funds for the Project and the following provisions shall apply in order of priority:-
- i) the Parties shall seek and secure the necessary funds from the various banks and/or financial institutions to manage the operation of the Project and if a joint and several guarantee is given, each Party shall keep the other indemnified to the extent of their liability in accordance with the Share Ratio.
 - ii) in the event the JV Company fails to secure any or sufficient funds to manage the operation of the Project within a reasonable time, the shortfall shall be provided by the Parties in the form of interest free loan in accordance with the Share Ratio for the interim period until the JV Company arranges for external borrowings.
- c) The JV Agreement is *inter-alia* conditional upon the execution of a formal contract with the relevant parties, having rights over the Subject Properties with BRSB for the extraction of timber thereat on mutually agreed terms

5. SOURCES OF FUNDING

The subscription of shares in the JV Company will be funded from internally generated funds of TRB.

6. RATIONALE AND PROSPECT

The Proposed JV is expected to provide a stable income stream to our Group's business and at the same time allow our Company to expand our business regionally.

7. EFFECTS OF THE PROPOSED JV

The Proposed JV will not have any effect on the share capital or affect the substantial shareholders' shareholdings of TRB and is not expected to have any effect on the earnings, net assets and gearing of the Company.

8. RISK FACTORS

TRB has a minority shareholding in the JV Company and as a result will not have a major role to play in the decision making processes of the JV Company. However, TRB will be required to provide guarantees or security should the same be required by potential financiers who have agreed to finance the funding requirements of the JV Company. This risk is however mitigated by the fact that TRB has under the terms of the JV Agreement an indemnity from the other shareholders of the JV Company which has the effect of limiting

TRB's exposure to any guarantee or security given up to the extent of the percentage of shares held by it in the JV Company.

9. APPROVAL REQUIRED

The Proposed JV is not subject to the approval of any governmental authority and/or shareholders of TRB.

10. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors or major shareholders of the Company or persons connected to them has any interest, direct or indirect, in the Proposed JV.

11. STATEMENT BY THE BOARD OF DIRECTORS

The Board, having considered all aspects of the Proposed JV, is of the view that it is in the best and long-term interests of the Company.

12. ESTIMATED TIME FRAME FOR COMPLETION

The subscription of shares is expected to be completed within 3 months from the date of the announcement.

13. DOCUMENTS FOR INSPECTION

The JV Agreement will be available for inspection at the Registered Office of TRB at No. 2D, Jalan SS 6/6, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 3 August 2012.