

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2015**  
(The figures have not been audited)

	1st Quarter 3 months ended		Cumulative to Date 3 months ended	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
<b>Continuing Operations</b>				
Revenue	# -	3,104	-	3,104
Cost of sales	-	(2,935)	-	(2,935)
Gross profit	-	169	-	169
Other operating income/(expenses)	46	914	46	914
Operating expenses	(2,723)	(3,194)	(2,723)	(3,194)
Operating loss	(2,677)	(2,111)	(2,677)	(2,111)
Finance costs	(50)	(3,024)	(50)	(3,024)
<b>Loss before taxation</b>	(2,727)	(5,135)	(2,727)	(5,135)
Taxation	152	124	152	124
<b>Net loss from continuing operations</b>	(2,575)	(5,011)	(2,575)	(5,011)
Discontinuing operations	-	-	-	-
<b>Net loss for the financial period</b>	(2,575)	(5,011)	(2,575)	(5,011)
<b>Other comprehensive income/(loss)</b>				
Foreign currency translation	37	(254)	37	(254)
<b>Total comprehensive loss for the period</b>	(2,538)	(5,265)	(2,538)	(5,265)
<b>Net loss attributable to :</b>				
Owners of the Company	(2,529)	(4,974)	(2,529)	(4,974)
Non-controlling interests	(46)	(37)	(46)	(37)
	(2,575)	(5,011)	(2,575)	(5,011)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	3,921	(5,228)	(2,492)	(5,228)
Non-controlling interests	88	(37)	(46)	(37)
	(2,538)	(5,265)	(2,538)	(5,265)
Basic loss per ordinary share (sen)				
- from continuing operations	(0.58)	(1.34)	(0.58)	(1.34)
- from discontinuing operations	-	-	-	-
	(0.58)	(1.34)	(0.58)	(1.34)

# - Industrial Supplies was discontinued during the current quarter under review.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

	<b>(UNAUDITED)</b> <b>As At End</b> <b>Of Current</b> <b>Quarter</b> <b>31/03/2015</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>As At Preceding</b> <b>Financial</b> <b>Year End</b> <b>31/12/2014</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,140	12,933
Prepaid land lease payments	2,422	2,445
Prepaid land lease payments with cultivation rights	62,593	63,086
Investment in joint venture	14	14
Other investment	50	50
Timber concession rights	218,000	218,000
Deferred tax assets	2,556	2,519
Goodwill on consolidation	67,210	67,210
	365,985	366,257
<b>Current assets</b>		
Inventories	40,633	36,176
Amount due from contract customers	421	3,476
Trade receivables	7,336	10,340
Other receivables, deposits and prepayments	6,971	13,758
Tax recoverable	2,138	2,138
Deposits placed with a licensed bank	11,000	1,800
Cash and bank balances	1,644	624
	70,143	68,312
Assets classified as held for sale	138,389	138,389
	208,532	206,701
<b>TOTAL ASSETS</b>	<b>574,517</b>	<b>572,958</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	222,616	222,616
Share premium	1,367	1,367
Treasury shares	(155)	(155)
Reserves:		
- translation reserve	985	948
- accumulated losses	(30,445)	(27,916)
Shareholders' funds	194,368	196,860
Non-controlling interests	28,392	28,438
<b>Total equity</b>	<b>222,760</b>	<b>225,298</b>

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2015 - continued**

	(UNAUDITED) As At End Of Current Quarter 31/03/2015 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2014 RM'000
<b>Non-current liabilities</b>		
Deferred tax liabilities	70,169	70,292
Hire purchase liabilities	383	426
	70,552	70,718
<b>Current liabilities</b>		
Trade payables	5,001	7,768
Other payables and accruals	256,148	37,546
Amount due to directors	6,697	8,822
Hire purchase liabilities	159	159
Bank borrowings	8,500	217,940
Tax payables	4,188	4,195
	280,693	276,430
Liabilities classified as held for sale	512	512
	281,205	276,942
<b>TOTAL LIABILITIES</b>	351,757	347,660
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>574,517</b>	<b>572,958</b>
	-	-
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	44	44

Note: Net assets per share is calculated based on total assets minus total liabilities divided by the total number of ordinary shares of RM0.50 each 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 2014 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 2015**

(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	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000			
	Non-Distributable				Distributable		
<b>3 months ended 31 March 2015</b>							
As at 1 January 2015	222,616	1,367	(155)	948	(27,916)	28,438	225,298
Total comprehensive loss for the period	-	-	-	-	(2,529)	(46)	(2,575)
Exchange differences on translation of foreign entities	-	-	-	37	-	-	37
As at 31 March 2015	<u>222,616</u>	<u>1,367</u>	<u>(155)</u>	<u>985</u>	<u>(30,445)</u>	<u>28,392</u>	<u>222,760</u>
<b>3 months ended 31 March 2014</b>							
As at 1 January 2014	186,616	1,367	(155)	1,076	(12,179)	28,643	205,368
Total comprehensive loss for the period	-	-	-	-	(4,974)	(37)	(5,011)
Exchange differences on translation of foreign entities	-	-	-	(254)	-	-	(254)
As at 31 March 2014	<u>186,616</u>	<u>1,367</u>	<u>(155)</u>	<u>822</u>	<u>(17,153)</u>	<u>28,606</u>	<u>200,103</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 QUARTER ENDED 31 MARCH 2015**  
(The figures have not been audited)

	<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>31/03/2015 RM'000</b>	<b>31/03/2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax from continuing operations	(2,727)	(5,135)
Loss before tax from discontinued operations	-	-
Loss before taxation	<u>(2,727)</u>	<u>(5,135)</u>
<b>Adjustments for non-cash items:</b>		
Amortisation of prepaid land lease payments:		
- Continuing operations	23	23
- Discontinued operations	-	-
Amortisation of prepaid land lease payments with cultivation rights	493	493
Depreciation:		
- Continuing operations	172	85
- Discontinued operations	-	-
Gain on recognition of financial assets	(38)	(189)
Gain on foreign exchange	-	(640)
Interest expense	50	3,024
Interest income	(8)	(4)
Plant and equipment written off	8	-
Operating loss before working capital changes	<u>(2,027)</u>	<u>(2,343)</u>
<b>Changes in working capital:</b>		
Inventories	(4,457)	-
Contract customers	3,055	5
Receivables	9,829	(191)
Payables	<u>215,835</u>	<u>9,108</u>
Cash generated from operations	222,235	6,579
Interest received	8	4
Interest paid	(50)	(3,024)
Net of tax paid	<u>(7)</u>	<u>-</u>
<b>Net cash from operating activities</b>	<u>222,186</u>	<u>3,559</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>(392)</u>	<u>(4)</u>
<b>Net cash used in investing activities</b>	<u>(392)</u>	<u>(4)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment to directors	(2,125)	(1,740)
Repayment of term loans	(209,440)	(500)
Repayment of hire purchase liabilities	<u>(42)</u>	<u>(28)</u>
<b>Net cash used in financing activities</b>	<u>(211,607)</u>	<u>(2,268)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	10,187	1,287
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	33	(435)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<u>2,424</u>	<u>1,461</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>12,644</u>	<u>2,313</u>
	-	-
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits placement with a licensed bank	11,000	2,000
Cash and bank balances	<u>1,644</u>	<u>313</u>
	<u>12,644</u>	<u>2,313</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

**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 financial assets and liabilities 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 2014.

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 2014, 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 2015.

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 9	Financial Instruments	To be announced by the MASB
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1st July 2014
MFRS 2	Share-based Payment	1st July 2014
MFRS 3	Business Combinations	1st July 2014
MFRS 7	Financial Instruments: Disclosures	Applies when MFRS is applied
MFRS 8	Operating Segments	1st July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1st January 2014
MFRS 12	Disclosure of Interests in Other Entities	1st January 2014
MFRS 13	Fair Value Measurement	1st July 2014
MFRS 116	Property, Plant and Equipment	1st July 2014
MFRS 119	Employee Benefits	1st July 2014
MFRS 124	Related Party Disclosures	1st July 2014

**1. Basis of Preparation and Accounting Policies (continued)**

		<b>Effective for financial periods beginning on or after</b>
		<u>Amendments/Improvements to MFRSs</u>
MFRS 127	Separate Financial Statements	1st January 2014
MFRS 132	Financial Instruments: Presentation	1st January 2014
MFRS 136	Impairment of Assets	1st January 2014
MFRS 138	Intangible Assets	1st July 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1st July 2014
<u>New IC Int.</u>		
IC Int. 21	Levies	1st January 2014

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Int. 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 2014 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 except as disclosed.

**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 2015 (31 December 2014: Nil).

**8. Segmental Reporting**

Segmental information is presented in respect of the Group's business segment as follow:

Business Activity	Current Quarter 3 months ended				Cumulative Quarter 3 months ended			
	31/03/2015		31/03/2014		31/03/2015		31/03/2014	
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000
• Timber	-	(2)	-	(8)	-	(2)	-	(8)
• Investment holding	-	(1,769)	-	(1,561)	-	(1,769)	-	(1,561)
• Property	-	(290)	76	(191)	-	(290)	76	(191)
• Industrial supplies	# -	-	3,028	161	# -	-	3,028	161
• Others	-	(616)	-	(512)	-	(616)	-	(512)
Finance costs	-	(2,677)	3,104	(2,111)	-	(2,677)	3,104	(2,111)
	-	(50)	-	(3,024)	-	(50)	-	(3,024)
	-	(2,727)	3,104	(5,135)	-	(2,727)	3,104	(5,135)

# Industrial Supplies was discontinued during the current quarter under review.

**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 2014.

**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, except for the financial impact on the completion of the Corporate Proposals as disclosed in Note 19 (B) and 19 (C) of the Additional Explanatory Notes.



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

There were no changes in the composition of the Group for the current financial quarter under review. Subsequent to the current financial quarter, on 17 April 2015 the Company's wholly owned subsidiary, Tadmax Builders Sdn. Bhd. incorporated a wholly owned subsidiary known as Tadmax Builders (Labuan) Sdn. Bhd. with an issued and paid up capital of RM2, a company identified to undertake construction activities in Labuan Federal Territory.

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

There were no additional contingent liabilities or contingent assets since 31 December 2014 till the date of announcement of this quarterly report.

**13. Capital Commitments**

There are no authorised capital commitments not provided for in the interim financial statements as at 31 March 2015.

**14. Significant Related Party Transactions**

There are no significant related party transaction in the current quarter under review.

**Additional Explanatory Notes in compliance with Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**15. Review of Performance**

The performance of the Group by operating segments are analysed below:

in RM'000	Current Quarter		Inc/(Dec)	Preceding Quarter	Inc/(Dec)	Cumulative Quarter		Inc/(Dec)
	31/03/2015	31/03/2014	%	31/12/2014	%	31/03/2015	31/03/2014	%
<b>Revenue</b>								
• Property	-	76	-100%	-	-	-	76	-100%
• Industrial supplies	# -	3,028	-100%	2,383	-100%	# -	3,028	-100%
• Others	-	-	-	-	-	-	-	-
	-	3,104	-100%	2,383	-100%	-	3,104	-100%
<b>Profit/(Loss) before tax</b>								
• Timber	(2)	(8)	-75%	(8)	-75%	(2)	(8)	-75%
• Investment holding	(1,769)	(1,561)	13%	(7,592)	-77%	(1,769)	(1,561)	13%
• Property	(290)	(191)	52%	21	-1481%	(290)	(191)	52%
• Industrial supplies	# -	161	-100%	164	-100%	# -	161	-100%
• Others	(616)	(512)	20%	(541)	-	(616)	(512)	20%
	(2,677)	(2,111)	27%	(7,956)	-66%	(2,677)	(2,111)	27%
Finance costs	(50)	(3,024)	-98%	(292)	-83%	(50)	(3,024)	-98%
	(2,727)	(5,135)	-47%	(8,248)	-67%	(2,727)	(5,135)	-47%

# Industrial Supplies was discontinued during the current quarter under review.

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

The Group decided to focus on the property segment, being the present focus direction of the Group.

Notwithstanding the above, loss before tax was substantially lower by 47% to RM2.7 million contributed mainly by the substantially lower finance cost at RM50,000 compared to the corresponding quarter of RM3.0 million, following the full settlement of the US dollar denominated term loan during the quarter under review.

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

TURNOVER of the preceding quarter of RM2.4 mil was contributed by the Industrial Supplies business segment. The loss before tax was substantially lower by 67% registering at a loss of RM2.7 million vis-a-vis the preceding quarter loss of RM8.2 million was mainly due to an impairment provision of RM5.0 million made in the preceding quarter and corporate exercise expenditure of RM0.3 million incurred in the preceding quarter without a corresponding expenditure in the quarter under review.

## **16. Prospects**

The Proposed Disposals (as elaborated under Corporate Proposals in Notes 19(B) and 19(C) hereinbelow) which is expected to complete during the financial year will strengthen the Group's financial position and working capital requirements.

Upon completion of the Proposed Disposal under Corporate Proposals in Notes 19(C), the equity attributable to the Owners of the Company will increase by approximately RM144.5 million, from RM196.9 million as at 31 December 2014 to RM341.4 million or in net assets terms from 44 sen per share to 76 sen per share. With the full settlement of US dollar denominated term loan of sixty four million in the current quarter under review, the Group's gearing ratio was substantially reduced from 1.22 times to an amount of 0.05 times of equity attributable to the Owners of the Company.

The significant improvement of the equity attributable to the Owners of the Company and the almost negligible gearing ratio as elaborated above, will pave the way for the Group to move forward with its corporate plan.

Expansion of its property business segment will be a key area to strengthen the Group's foothold on the property development and construction sector. At the same time, the Group is weighing its options in extracting the best value from its approximately 80,000 hectares of land located at the forest area in District of Jair, Regency of Boven Digoel in Papua, Indonesia. The options being considered are to undertake timber extraction and the plantation development (both on its own or through joint ventures) and/or outright disposal of all or part of the land or a combination of the above. However, with the major changes in economic environment in the last couple of months, such as the significant change in oil prices, currency exchange rates, introduction of Goods and Service tax, and the tightening of lending conditions in some areas, as well as the challenging outlook for the property and commodity industry and coupled with the waning strength of emerging economies such as China and India will invariably pose a challenge to an open economy including Malaysia, and Management is now revisiting the same in updating its corporate plan prior to moving forward.

Barring unforeseen circumstances, the Property business segment is expected to be a contributor for year 2015 with the launching of its property project in Ganggarak, Labuan Federal Territory in the first half of 2015. The Board of Directors is optimistic that the measures taken and to be taken would enable the Group to turnaround its performance in the current financial year 2015 and also deliver long term sustainable shareholders' value.

## **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 (3 months ended)	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Current tax:				
Malaysian income tax	-	-	-	-
Under/ (Over) provision of Malaysian income tax in prior years	-	-	-	-
Deferred tax	(152)	(124)	(152)	(124)
Total income tax expense	(152)	(124)	(152)	(124)

Included in the income tax figure for the quarter ended 31 March 2015 are the net adjustment for deferred tax charges in respect of amortization of prepaid land lease payment with cultivation rights and temporary timing difference.

**19. Corporate Proposals**Status of Corporate Proposals Announced but Not Completed(A) Proposed Establishment of Joint Venture

On 3 August 2012, the Company had entered into a conditional Joint Venture Agreements ("JV Agreement") 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 ("ITC") at District of Jair and District of Mandobo, Boven Digoel Regency, Papua Province, Republic of Indonesia ("Subject Properties") and on completion of the ITC, 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").

Pursuant to the terms and conditions of the JV Agreement, the JV Company has on 19 October 2012 increased its paid up share capital from RM2 to RM100,000 and Company's share of the allotment was 14,000 ordinary shares of RM1.00 each, equivalent to 14% equity interest in TJSB.

All the parties to the JV Company are presently working towards fulfilment of the conditions precedent set out in the JV Agreement. The conditions precedent comprise:

- (i) Entry of a formal agreement by the relevant parties having the requisite rights over the Subject Properties with BRSB for the extraction of timber over the Subject Properties; and
- (ii) Entry of a formal agreement by the relevant parties having the requisite rights over the Subject Properties with BRSB for land clearing of the Subject Properties suitable for cultivation of oil palm on mutually agreed terms in accordance with the market practice and market rate.

**19. Corporate Proposals (continued)**

*(B) Proposed Disposal of 60 acres of leasehold land located at Pulau Indah*

On 9 April 2013, the Group had entered into a Sale and Purchase Agreement (“Initial SPA”) to dispose off a leasehold land (“the Land”) located at Pulau Indah, Port Klang, Selangor Darul Ehsan measuring approximately 60 acres (out of a total 379 acres of land in a Master Title) to a third party for a total cash consideration of RM48,351,600 subject to the need to undertake sub-division of the Master Title.

On 28 April 2014, the Group had entered into a variation of the Initial SPA (the Agreement for the Sale and Purchase (“Varied SPA”) of 100% shareholdings in a wholly owned subsidiary of the Company, Kirana Abadi Sdn Bhd (“KASB”), represented by two (2) ordinary shares of RM1.00 each (“the Sale Shares”), who in turn owns the Land). This was necessitated in view of the changes to the method of securing the issue document of title through insertion of co-owners followed by land partitioning instead of undertaking sub-division of the Master Title at the agreed sales consideration as per Initial SPA.

The completion of the sale is pending the satisfaction of conditions precedent as stipulated in the Varied SPA, namely the land partitioning. The final approval from the local authorities for the land partitioning was approved vide letter of 19 March 2015 and this was followed by the application for the issuance of document of title to the local authorities in April 2015. The Group hopes to receive the new document of title by end of 2<sup>nd</sup> Quarter 2015.

*(C) Proposed Disposal of Tadmax Power Sdn Bhd for a total revised cash consideration of RM294,378,480*

On 20 February 2014, the Company announced the proposal to dispose off the entire issued and paid-up share capital of Tadmax Power Sdn. Bhd. (“TPSB”), a wholly-owned subsidiary of the Company for a total disposal consideration of RM317,334,600/- to be satisfied entirely in cash (“Proposed Disposal”). TPSB is the beneficial and registered owner of approximately 310 acres of a piece of vacant leasehold land located at Pulau Indah, Klang, Selangor Darul Ehsan (“the Land”).

The Proposed Disposal was approved by the shareholders of the Company at the Extraordinary General Meeting held on 15 May 2014.

On 15 December 2014 the parties had executed a Supplemental Share Sale Agreement (“SSSA”) to vary certain terms and conditions of the SSA. The disposal consideration was revised from RM317,334,600 to RM294,378,480 on the agreement that the Land shall be sold on an “as is where is” basis in place of the obligation to undertaken conversion of the Land category from building to industrial. The condition for the procurement of land partitioning followed by the issuance of separate land title for the Land remains.

On 19 March 2015, the local authorities issued the final approval for the land partitioning and this was followed by the partial payment by the Purchaser of a sum totalling RM201,440,000 towards the settlement of the Company’s bank borrowing and the remainder of the revised disposal consideration will be settled on or before the completion date pursuant to the terms of the SSSA, expected to be on or before 30 June 2015.

**20. Group Borrowings and Debts Securities**

Group borrowings are as follows:-

	<b>As at 31/03/2015 RM'000</b>	<b>As at 31/12/2014 RM'000</b>
(a) Current borrowings – secured		
Term loans	8,500	16,500
Term loan denominated in USD	-	201,440
Hire purchase payable	159	159
	<u>8,659</u>	<u>218,099</u>
(b) Non-current borrowings – secured		
Hire purchase payable	383	426
	<u>9,042</u>	<u>218,525</u>

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

There were no outstanding derivatives as at 31 March 2015.

**(b) Gain/(Loss) arising from fair value changes in financial assets and liabilities**

The Group's policy is to recognise the financial assets and liabilities at amortised cost as stated below:

	<b>Current Quarter (3 months ended)</b>		<b>Cumulative Quarter (3 months ended)</b>	
	<b>31/03/2015 RM'000</b>	<b>31/03/2014 RM'000</b>	<b>31/03/2015 RM'000</b>	<b>31/03/2014 RM'000</b>
Net gain from fair value adjustment	<u>38</u>	<u>189</u>	<u>38</u>	<u>189</u>

The above gain arose from amortization of other receivable.

## 22. Material Litigation

Other than the cases shown below, there was no other material litigation pending as at 27 May 2015 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

### Usama Industries Sdn Bhd cases

- (1) Civil Suit No: 22-12/4-2013 at the High Court in Sabah and Sarawak at Sibu Usama Industries Sdn. Bhd. ("UISB") vs Jati Bahagia Sdn. Bhd. ("JBSB"), Datuk Wong Kie Nai, Wong Kie Yik, Lau Puong Ying, Habsah Binti Abdul Rahman, Audrey Wong Haw Ing, Patrick Wong Haw Yeong, Wong Hou Liang, Mimi Wong Haw Wai, Annie Wong Haw Bing, Loh Leh Fong @ Loh Leh Pong

Due to similarity of the facts and points of law, the Court allowed for the actions on Court of Appeal case Q-02-1307-09, suit no SB-22-42 and suit no SB-22-17 to be consolidated under this suit.

UISB filed a Writ of Summons and Statement of Claim ("Writs") on 8<sup>th</sup> April 2013, which was subsequently served on the advocates of JBSB and the individuals named as above in their personal capacity, representing the owners, managers and controllers of JBSB.

This suit arose due to the inability of UISB to enforce judgment entered in its favour on 27<sup>th</sup> March 2013 in the 3 suits described above (relating to underpaid premium for logs felled) due to the insolvency of JBSB.

Based on Court of Appeal case Q-02-1307-09 (sum of RM17,178,820.51), suit no SB-22-42 (sum of RM15,570,644.00) and suit no SB-22-17 (RM4,322,627.13), UISB now seek to claim the full combined Judgment amount to the tune of RM 37,072,091.64 inclusive of interest at the rate of 8% against JBSB together with the above named Defendants as controllers of JBSB and therefore being knowing parties carrying out the business of JBSB with intent to defraud its creditors.

Due to the passing of lead counsel for the matter and also managing partner of the appointed firm on 4<sup>th</sup> February 2015, an adjournment of the trial date was requested to facilitate the handing over of the matter to another associate within the firm. The date of hearing for case management has been set on 28<sup>th</sup> May 2015.

The outcome of the above legal case has no adverse financial impact to the Group.

## 23. Dividend Payable

No interim ordinary dividend has been declared for the financial year ended 31 March 2015 (31 December 2014: Nil).

**TADMAX RESOURCES BERHAD (8184-W)****(Incorporated in Malaysia)**Notes to the Condensed Consolidated Interim Financial Statements for the quarter ended 31 March 2015

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

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

	<b>Current Quarter 31/3/2015</b>	<b>Cumulative Quarter 31/3/2015</b>
Loss for the financial period attributable to equity holders of the Company (RM'000)	<u>(2,529)</u>	<u>(2,529)</u>
Weighted average number of ordinary shares in issue ('000)	<u>444,757</u>	<u>444,757</u>
Basic loss per share (sen)	<u>(0.57)</u>	<u>(0.57)</u>

## b) Diluted Earnings/(Loss) Per Share

There are no outstanding options, warrants or convertible securities during the current quarter hence, there are no dilutive effect to the loss per share of the Group.

**25. Realised and Unrealised Retained Earnings/(Accumulated Losses)**

	<b>As at 31/3/2015 RM'000</b>	<b>As at 31/12/2014 RM'000</b>
Total accumulated losses of Company and its subsidiaries:		
- Realised	(30,320)	(35,867)
- Unrealised	<u>(125)</u>	<u>7,951</u>
Total Group accumulated losses	<u>(30,445)</u>	<u>(27,916)</u>



**26. Additional disclosures for Profit/(Loss) for the period**

	<b>Current Quarter 31/03/2015 RM'000</b>	<b>Cumulative Quarter 31/03/2015 RM'000</b>
<i>Loss for the period is arrived at after crediting:-</i>		
Interest income	8	8
Gain on recognition of financial assets	38	38
<i>and after charging:-</i>		
Interest expense	50	50
Rental of staff house	17	17
Depreciation of property, plant and equipment	172	172
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 2015.

**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 27 May 2015.