

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

	2nd Quarter 3 months ended		Cumulative to Date 6 months ended	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Continuing Operations				
Revenue	982	8,446	982	11,550
Cost of sales	(885)	(7,945)	(885)	(10,880)
Gross profit	97	501	97	670
Other operating income/(expenses) - Note 15	74,370	1,353	74,416	2,267
Operating expenses	(2,403)	(2,596)	(5,126)	(5,790)
Operating profit/(loss)	72,064	(742)	69,387	(2,853)
Finance costs	(162)	(2,999)	(212)	(6,023)
Profit/(Loss) before taxation	71,902	(3,741)	69,175	(8,876)
Taxation	(361)	174	(209)	298
Net profit/(loss) from continuing operations	71,541	(3,567)	68,966	(8,578)
Discontinuing operations	-	-	-	-
Net profit/(loss) for the financial period	71,541	(3,567)	68,966	(8,578)
Other comprehensive income/(loss)				
Foreign currency translation	126	210	163	(44)
Total comprehensive profit/(loss) for the period	71,667	(3,357)	69,129	(8,622)
Net profit/(loss) attributable to :				
Owners of the Company	71,630	(3,515)	69,101	(8,489)
Non-controlling interests	(89)	(52)	(135)	(89)
	<u>71,541</u>	<u>(3,567)</u>	<u>68,966</u>	<u>(8,578)</u>
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	71,756	(3,305)	69,264	(8,533)
Non-controlling interests	(89)	(52)	(135)	(89)
	<u>71,667</u>	<u>(3,357)</u>	<u>69,129</u>	<u>(8,622)</u>
Basic earnings/(loss) per ordinary share (sen)				
- from continuing operations	16.09	(0.96)	15.51	(2.30)
- from discontinuing operations	-	-	-	-
	<u>16.09</u>	<u>(0.96)</u>	<u>15.51</u>	<u>(2.30)</u>

(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 30 JUNE 2015

	(UNAUDITED) As At End Of Current Quarter 30/06/2015 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,924	12,933
Prepaid land lease payments	2,399	2,445
Prepaid land lease payments with cultivation rights	62,100	63,086
Investment in joint venture	14	14
Other investment	100	50
Timber concession rights	218,000	218,000
Deferred tax assets	2,069	2,519
Goodwill on consolidation	-	67,210
	300,606	366,257
Current assets		
Inventories	40,968	36,176
Amount due from contract customers	1,203	3,476
Trade receivables	6,481	10,340
Other receivables, deposits and prepayments	44,789	13,758
Tax recoverable	1,067	2,138
Deposits placed with a licensed bank	4,652	1,800
Cash and bank balances	2,656	624
	101,816	68,312
Assets classified as held for sale	-	138,389
	101,816	206,701
TOTAL ASSETS	402,422	572,958
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	222,616	222,616
Share premium	1,367	1,367
Treasury shares	(155)	(155)
Reserves:		
- translation reserve	1,111	948
- retained profits/(accumulated losses)	41,185	(27,916)
Shareholders' funds	266,124	196,860
Non-controlling interests	28,303	28,438
Total equity	294,427	225,298

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015 - continued

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30/06/2015 RM'000	As At Preceding Financial Year End 31/12/2014 RM'000
Non-current liabilities		
Deferred tax liabilities	70,046	70,292
Hire purchase liabilities	1,300	426
	71,346	70,718
Current liabilities		
Trade payables	2,902	7,768
Other payables and accruals	17,047	37,546
Amount due to directors	3,454	8,822
Hire purchase liabilities	565	159
Bank borrowings	8,500	217,940
Tax payables	4,181	4,195
	36,649	276,430
Liabilities classified as held for sale	-	512
	36,649	276,942
TOTAL LIABILITIES	107,995	347,660
TOTAL EQUITY AND LIABILITIES	402,422	572,958
	-	-
Net assets per share attributable to ordinary equity holders of the parent (sen)	60	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 30 JUNE 2015

(The figures have not been audited)

	←----- Attributable to owners of the Company -----→							
	←----- Non-Distributable -----→			Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained profits/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<u>6 months ended 30 June 2015</u>								
As at 1 January 2015	222,616	1,367	(155)	948	(27,916)	196,860	28,438	225,298
Total comprehensive loss for the period	-	-	-	-	69,101	69,101	(135)	68,966
Exchange differences on translation of foreign entities	-	-	-	163	-	163	-	163
As at 31 March 2015	222,616	1,367	(155)	1,111	41,185	266,124	28,303	294,427
						-		
<u>6 months ended 30 June 2014</u>								
As at 1 January 2014	186,616	1,367	(155)	1,076	(12,179)	176,725	28,643	205,368
Total comprehensive loss for the period	-	-	-	-	(8,489)	(8,489)	(89)	(8,578)
Exchange differences on translation of foreign entities	-	-	-	(44)	-	(44)	-	(44)
As at 31 March 2014	186,616	1,367	(155)	1,032	(20,668)	168,192	28,554	196,746
						-		

(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 30 JUNE 2015

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current	Preceding Year
	Quarter	Corresponding
	30/06/2015	30/06/2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operations	69,175	(8,876)
Profit/(Loss) before tax from discontinued operations	-	-
Profit/(Loss) before taxation	<u>69,175</u>	<u>(8,876)</u>
<u>Adjustments for non-cash items:</u>		
Amortisation of prepaid land lease payments:		
- Continuing operations	46	46
Gain on disposal of a subsidiary company	(141,541)	-
Goodwill written off	67,210	-
Amortisation of prepaid land lease payments with cultivation rights	986	986
Depreciation:		
- Continuing operations	360	182
Gain on recognition of financial assets	(38)	(352)
Gain on foreign exchange	-	(1,920)
Interest expense	212	6,023
Interest income	(46)	(13)
Plant and equipment written off	8	-
Operating loss before working capital changes	<u>(3,628)</u>	<u>(3,924)</u>
<u>Changes in working capital:</u>		
Inventories	(4,792)	(60)
Contract customers	2,273	5
Receivables	(27,442)	3,984
Payables	<u>(25,253)</u>	<u>14,322</u>
Cash generated from/(used in) operations	(58,842)	14,327
Interest received	46	13
Interest paid	(212)	(6,023)
Net of tax refund	<u>1,056</u>	<u>-</u>
Net cash from/(used in) operating activities	<u>(57,952)</u>	<u>8,317</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note 1)	(1,976)	(751)
Increase in other investments	(50)	-
Proceeds from disposal of a subsidiary, net of cash and cash equivalents	279,613	-
Purchase of subsidiaries, net of cash and cash equivalents acquired	<u>-</u>	<u>2</u>
Net cash from/(used in) investing activities	<u>277,587</u>	<u>(749)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment to directors	(5,367)	(5,040)
Repayment of term loans	(209,440)	(2,000)
Repayment of hire purchase liabilities	<u>(102)</u>	<u>(57)</u>
Net cash used in financing activities	<u>(214,909)</u>	<u>(7,097)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,726	471
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	158	(64)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>2,424</u>	<u>1,461</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>7,308</u>	<u>1,868</u>
	-	-

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 JUNE 2015 - continued
(The figures have not been audited)

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

	As at	As at
	30/06/2015	30/06/2014
	RM'000	RM'000
Deposits placement with a licensed bank	4,652	1,000
Cash and bank balances	2,656	868
	7,308	1,868

NOTE 1 - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of RM3,359,000 of which RM1,383,000 were acquired under hire purchase arrangements by the Group. Cash payment made by the Group for the acquisition of property, plant and equipment amounted to RM1,976,000.

NOTE 2 - DISPOSAL OF A SUBSIDIARY COMPANY

Fair value of net assets disposed and net cash inflow on disposal of a subsidiary is analysed as follows :-

	2015
	As at date
	of disposal
	RM'000
Inventories	138,389
Other receivables, deposits and prepayments	308
Cash and bank balances	1
Other payables	(625)
Fair value of net identifiable assets	138,073
Less : Cash and bank balances of subsidiary disposed	(1)
Add : Gain on disposal of a subsidiary company	141,541
Net cash inflow on disposal of a subsidiaries, net of tax and expenses of RM14,765,000	279,613

(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 30 June 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.

The adoption of the 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 30 June 2015 (30 June 2014: 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			
	30/06/2015		30/06/2014		30/06/2015		30/06/2014	
	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
• Property	982	(126)	-	(273)	982	(416)	76	(464)
• Industrial supplies #	-	(38)	8,446	501	-	(38)	11,474	662
• Timber	-	(3)	-	(6)	-	(5)	-	(14)
• Investment holding	-	139,586	-	(255)	-	137,817	-	(1,816)
• Others	-	(67,355)	-	(709)	-	(67,971)	-	(1,221)
Finance costs	982	72,064	8,446	(742)	982	69,387	11,550	(2,853)
	-	(162)	-	(2,999)	-	(212)	-	(6,023)
	982	71,902	8,446	(3,741)	982	69,175	11,550	(8,876)

Industrial Supplies was temporarily 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 Proposal as disclosed in Note 19 (B) 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 except as below:-

- a) On 20 April 2015, the Company announced the Company's wholly owned subsidiary, Tadmax Builders Sdn Bhd had on 17 April 2015 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.
- b) On 8 June 2015, the Company announced the acquisition of two shares, representing 100% equity interests in Tadmax Concrete (Labuan) Sdn Bhd for RM2, a company identified to operate a batching plant to support the Group's 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 30 June 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		Cumulative Quarter		Inc/(Dec)
	30/06/2015	30/6/2014		31/03/2015	Inc/(Dec)	30/06/2015	30/06/2014	
Revenue			%		%			%
• Property	982	-	100%	-	100%	982	76	1192%
• Industrial supplies	# -	8,446	-100%	# -	-	# -	11,474	-100%
• Timber	-	-	-	-	-	-	-	-
• Investment holding	-	-	-	-	-	-	-	-
• Others	-	-	-	-	-	-	-	-
	982	8,446	-88%	-	100%	982	11,550	-91%
Profit/(Loss) before tax								
• Property	(126)	(273)	-54%	(290)	-57%	(416)	(464)	-10%
• Industrial supplies	(38)	501	-108%	-	-100%	(38)	662	-106%
• Timber	(3)	(6)	-50%	(2)	50%	(5)	(14)	-64%
• Investment holding	139,586	(255)	-54840%	(1,769)	-7991%	137,817	(1,816)	-7689%
• Others	(67,355)	(709)	9400%	(616)	10834%	(67,971)	(1,221)	5467%
	72,064	(742)	-9812%	(2,677)	-2792%	69,387	(2,853)	-2532%
Finance costs	(162)	(2,999)	-95%	(50)	224%	(212)	(6,023)	-96%
	71,902	(3,741)	-2022%	(2,727)	-2737%	69,175	(8,876)	-879%

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

Review on Performance - Current Quarter compared to Corresponding Quarter

The property segment saw the launching of the affordable apartments in Ganggarak, Labuan FT on 1 April 2015. As at the date of this quarterly report, the Group has sold more than 490 units of the available 520 units. The turnover of the present quarter reflects the recognition of percentage of completion of the aforesaid development.

The completion of the disposal of Tadmax Power Sdn Bhd on 30 June 2015, resulted in the Group registering a net of tax gain of RM141.5 million and this was set-off by the write off of the Group's goodwill of RM67.2 million, to reflect the Group Net Assets on tangible basis. With this, the Group's NTA per share was at 60 cents per share as at end of the quarter, in increase of 36% from 31 Dec 2014.

Review on Performance - Current Quarter compared to Preceding Quarter

The Group decided to focus on the property segment since beginning of year 2015, hence turnover was reported from the property segment in this second quarter vis-a-vis nil turnover in the 1st quarter.

The current quarter reported a profit before tax of RM71.9 million contributed by the aforesaid gain on sale of Tadmax Power Sdn Bhd, set off by the write off of goodwill.

16. Prospects

With the completion of the disposal of Tadmax Power Sdn Bhd, the equity attributable to the Owners of the Company has increased by RM141.5 million or equivalent to 32 sen per share and further that the Group had utilised the proceeds from the Proposed Disposal towards full settlement of the Group's borrowings (except hire purchase facilities). Henceforth the Group's gearing is presently zero (excluding hire purchase facilities) as at the date of this report.

Presently, the Group is focusing on its property development project in Ganggarak, Labuan Federal Territory. Now that the Company's shares have been reclassified under "Properties" sector on the Main Market of Bursa Malaysia Securities Berhad with effect from 24 August 2015, the Group will actively seek for opportunities in the property sector to enhance the Group's growth prospects.

Barring unforeseen circumstances, the financial profitability of the Group for the current financial year is not expected to be significantly different from the financial profitability reported in this current second quarter ended 30 June 2015.

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)	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Current tax:				
Malaysian income tax	-	-	-	-
Under/ (Over) provision of Malaysian income tax in prior years	-	-	-	-
Deferred tax	361	(174)	209	(298)
Total income tax expense	361	(174)	209	(298)

Included in the income tax figure for the quarter ended 30 June 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.

(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 and receipt of separate issue document of title. 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 receipt of the separate issue document of title on 26 June 2015. With this, the Varied SPA is duly unconditional. The prolonged time required by the Group in fulfilling the conditions precedent is causing the parties to revisit the Varied SPA in moving the matter forward.

19. Corporate Proposals (continued)*(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. The separate issue document of title was duly obtained on 26 June 2015 and the parties have mutually agreed that the Proposed Disposal was duly completed on 30 June 2015.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/06/2015 RM'000	As at 30/06/2014 RM'000
(a) Current borrowings – secured		
Term loans	8,500	13,489
Term loan denominated in USD	-	72,699
Hire purchase payable	565	118
	<u>9,065</u>	<u>86,306</u>
(b) Non-current borrowings – secured		
Term loan denominated in USD	-	135,013
Hire purchase payable	1,300	229
	<u>1,300</u>	<u>135,242</u>

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

There were no outstanding derivatives as at 30 June 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:

	Current Quarter (3 months ended)		Cumulative Quarter (6 months ended)	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Net gain from fair value adjustment	-	163	38	352

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 20 August 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 Sibul 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 8th 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 27th March 2013 in the 3 suits described above (relating to underpaid premium for logs felled) due to the insolvency of JBSB.

22. Material Litigation (continued)

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 change in counsel for the defendants, the Court has yet to set a trial date and the next further case management date has been set for 2 September 2015. Our counsel expects for the Court to fix the trial date to be in January or February 2016

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 30 June 2015 (30 June 2014: Nil).

24. Earnings/(Loss) Per Share

a) Basic Earnings/(Loss) Per Share

	Current Quarter 30/06/2015	Cumulative Quarter 30/06/2015
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	71,630	69,101
Weighted average number of ordinary shares in issue ('000)	444,757	444,757
Basic earnings/(loss) per share (sen)	16.10	15.54

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 earnings/(loss) per share of the Group.

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

	As at 30/06/2015 RM'000	As at 31/12/2014 RM'000
Total retained earnings/(accumulated losses) of Company and its subsidiaries:		
- Realised	40,866	(35,867)
- Unrealised	319	7,951
Total Group retained earnings/(accumulated losses)	<u>41,185</u>	<u>(27,916)</u>

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

	Current Quarter 30/06/2015 RM'000	Cumulative Quarter 30/06/2015 RM'000
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Interest income	38	46
Gain on disposal of a subsidiary company	141,541	141,541
Gain on recognition of financial assets	-	38
<i>and after charging:-</i>		
Interest expense	162	212
Goodwill written off	67,210	67,210
Rental of staff house	16	33
Depreciation of property, plant and equipment	188	360
Amortisation of prepaid land lease payments	23	46
Amortisation of prepaid land lease payments with cultivation rights	493	986

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 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 25 August 2015.