

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2016**

(The figures have not been audited)

	1st Quarter 3 months ended		Cumulative to Date 3 months ended	
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
<b>Continuing Operations</b>				
Revenue	5,497	-	5,497	-
Cost of sales	<u>(4,831)</u>	<u>-</u>	<u>(4,831)</u>	<u>-</u>
Gross profit	666	-	666	-
Other operating income/(expenses)	66	46	66	46
Operating expenses	<u>(3,612)</u>	<u>(2,723)</u>	<u>(3,612)</u>	<u>(2,723)</u>
Operating profit/(loss)	<u>(2,880)</u>	<u>(2,677)</u>	<u>(2,880)</u>	<u>(2,677)</u>
Finance costs	<u>(43)</u>	<u>(50)</u>	<u>(43)</u>	<u>(50)</u>
<b>Profit/(Loss) before taxation</b>	<u>(2,923)</u>	<u>(2,727)</u>	<u>(2,923)</u>	<u>(2,727)</u>
Taxation	<u>(149)</u>	<u>152</u>	<u>(149)</u>	<u>152</u>
<b>Net profit/(loss) from continuing operations</b>	<u><b>(3,072)</b></u>	<u><b>(2,575)</b></u>	<u><b>(3,072)</b></u>	<u><b>(2,575)</b></u>
Discontinuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net profit/(loss) for the financial period</b>	<u><b>(3,072)</b></u>	<u><b>(2,575)</b></u>	<u><b>(3,072)</b></u>	<u><b>(2,575)</b></u>
<b>Other comprehensive income/(loss)</b>				
Foreign currency translation	185	37	185	37
<b>Total comprehensive profit/(loss) for the period</b>	<u><b>(2,887)</b></u>	<u><b>(2,538)</b></u>	<u><b>(2,887)</b></u>	<u><b>(2,538)</b></u>
<b>Net profit/(loss) attributable to :</b>				
Owners of the Company	<u>(2,994)</u>	<u>(2,529)</u>	<u>(2,994)</u>	<u>(2,529)</u>
Non-controlling interests	<u>(78)</u>	<u>(46)</u>	<u>(78)</u>	<u>(46)</u>
	<u><b>(3,072)</b></u>	<u><b>(2,575)</b></u>	<u><b>(3,072)</b></u>	<u><b>(2,575)</b></u>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the Company	<u>(2,809)</u>	<u>(2,492)</u>	<u>(2,809)</u>	<u>(2,492)</u>
Non-controlling interests	<u>(78)</u>	<u>(46)</u>	<u>(78)</u>	<u>(46)</u>
	<u><b>(2,887)</b></u>	<u><b>(2,538)</b></u>	<u><b>(2,887)</b></u>	<u><b>(2,538)</b></u>
Basic earnings/(loss) per ordinary share (sen)				
- from continuing operations	<u>(0.69)</u>	<u>(0.58)</u>	<u>(0.69)</u>	<u>(0.58)</u>
- from discontinuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>(0.69)</b></u>	<u><b>(0.58)</b></u>	<u><b>(0.69)</b></u>	<u><b>(0.58)</b></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016**

	(UNAUDITED) As At End Of Current Quarter 31/03/2016 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,855	15,218
Prepaid land lease payments	2,329	2,352
Prepaid land lease payments with cultivation rights	60,621	61,114
Investment in joint venture	14	14
Other investment	100	100
Timber concession rights	218,000	218,000
Land and development expenditure	7,675	7,630
Deferred tax assets	1,350	1,713
	304,944	306,141
<b>Current assets</b>		
Inventories	721	721
Land and development expenditure	30,730	30,727
Amount due from contract customers	202	-
Trade receivables	10,108	13,380
Other receivables, deposits and prepayments	34,511	33,783
Tax recoverable	1,083	1,085
Deposits placed with licensed banks	19,830	3,642
Cash and bank balances	3,654	2,003
	100,839	85,341
<b>TOTAL ASSETS</b>	<b>405,783</b>	<b>391,482</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	1,051	866
- retained profits/(accumulated losses)	36,615	39,609
Shareholders' funds	261,494	264,303
Non-controlling interests	28,551	28,179
<b>Total equity</b>	<b>290,045</b>	<b>292,482</b>

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2016 - continued**

	(UNAUDITED) As At End Of Current Quarter 31/03/2016 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2015 RM'000
<b>Non-current liabilities</b>		
Deferred tax liabilities	70,235	70,364
Hire purchase liabilities	817	984
	71,052	71,348
<b>Current liabilities</b>		
Trade payables	4,936	5,482
Other payables, deposits and accruals	13,724	14,485
Progress billing	727	3,250
Amount due to customers on contract	-	748
Amount due to directors	1,398	1,546
Hire purchase liabilities	645	641
Bank borrowings	23,256	1,500
Tax payables	-	-
	44,686	27,652
<b>TOTAL LIABILITIES</b>	115,738	99,000
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>405,783</b>	<b>391,482</b>
	-	-
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	59	59

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 2015 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 QUARTER ENDED 31 MARCH 2016**

(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	Retained profits/ (Accumulated Losses) RM'000			
<b><u>3 months ended 31 March 2016</u></b>								
As at 1 January 2016	222,616	1,367	(155)	866	39,609	264,303	28,179	292,482
Equity interests of non-controlling interest in a new subsidiary to the Group							450	450
Total comprehensive loss for the period	-	-	-	-	(2,994)	(2,994)	(78)	(3,072)
Exchange differences on translation of foreign entities	-	-	-	185	-	185	-	185
As at 31 March 2016	222,616	1,367	(155)	1,051	36,615	261,494	28,551	290,045
<b><u>3 months ended 31 March 2015</u></b>								
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	-	-	-	-	(2,529)	(2,529)	(46)	(2,575)
Exchange differences on translation of foreign entities	-	-	-	37	-	37	-	37
As at 31 March 2015	222,616	1,367	(155)	985	(30,445)	194,368	28,392	222,760

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016**

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter
	31/03/2016	31/03/2015
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(2,923)	(2,727)
<u>Adjustments for non-cash items:</u>		
Amortisation of prepaid land lease payments:	23	23
Amortisation of prepaid land lease payments with cultivation rights	493	493
Depreciation:	326	172
Gain on recognition of financial assets	-	(38)
Interest expense	43	50
Interest income	(17)	(8)
Loss on disposal of plant and equipment	15	
Plant and equipment written off	-	8
Share of net results of associate	-	-
Operating loss before working capital changes	(2,040)	(2,027)
<u>Changes in working capital:</u>		
Inventories	-	(4,457)
Contract customers	(948)	3,055
Land and Development expenditure	96	-
Receivables	3,043	9,829
Payables	(4,046)	215,835
Cash generated from/(used in) operations	(3,895)	222,235
Interest received	17	8
Interest paid	(43)	(50)
Net of tax paid	-	(7)
<b>Net cash from/(used in) operating activities</b>	<b>(3,921)</b>	<b>222,186</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(49)	(392)
Proceeds from disposal of a plant & equipment	75	-
Subscription of shares in a new subsidiary, net of cash and cash equivalent (Note 2)	18	-
<b>Net cash from/(used in) investing activities</b>	<b>44</b>	<b>(392)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment to)/Advances from directors	(148)	(2,125)
Drawn down of bank borrowings	21,756	-
Repayment of bank borrowings	-	(209,440)
Repayment of hire purchase liabilities	(162)	(42)
<b>Net cash used in financing activities</b>	<b>21,446</b>	<b>(211,607)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>17,569</b>	<b>10,187</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>270</b>	<b>33</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>5,615</b>	<b>2,424</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD (Note 1)</b>	<b>23,454</b>	<b>12,644</b>

**TADMAX RESOURCES BERHAD (Company No. 8184-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE QUARTER ENDED 31 MARCH 2016 - continued**  
(The figures have not been audited)

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

	<b>As at</b>	<b>As at</b>
	<b>31/03/2016</b>	<b>31/03/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Note 1</u>		
Deposits placement with licensed banks	19,830	11,000
Cash and bank balances	3,654	1,644
	23,484	12,644
Less: Deposit pledged with bank as security for banking facilities	(30)	-
	<b>23,454</b>	<b>12,644</b>

Note 2 - SUBSCRIPTION OF SHARES IN A NEW SUBSIDIARY

The effect of the subscription of shares in a new subsidiary on the cashflow of the Group is as follows :-

	<b>As at date of</b>
	<b>subscription</b>
	<b>RM'000</b>
Property Plant & Equipment	5
Property Development Expenditure	500
Other Debtor & Deposits	143
Cash & bank balance	568
Non-Controlling Interests	(450)
Other Payables	(216)
Net Impact	550
Cash Consideration for subscription	550
Less: Cash & cash equivalent in subscription of shares in a new subsidiary	(568)
Net cash inflow on the subscription of shares in a new subsidiary	(18)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016**

**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 2015.

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 2015, 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 2016.

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 2015 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 2016 (31 March 2015: 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 3 months ended			
	31/03/2016		31/03/2015		31/03/2016		31/03/2015	
	Profit/(Loss)		Profit/(Loss)		Profit/(Loss)		Profit/(Loss)	
	Revenue	Taxation	Revenue	Taxation	Revenue	Taxation	Revenue	Taxation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
• Property	3,104	(423)	-	(290)	3,104	(423)	-	(290)
• Industrial supplies	2,393	131	-	-	2,393	131	-	-
• Timber	-	-	-	(2)	-	-	-	(2)
• Investment holding	-	(2,036)	-	(1,769)	-	(2,036)	-	(1,769)
• Others	-	(552)	-	(616)	-	(552)	-	(616)
	5,497	(2,880)	-	(2,677)	5,497	(2,880)	-	(2,677)
Finance costs	-	(43)	-	(50)	-	(43)	-	(50)
	<b>5,497</b>	<b>(2,923)</b>	-	<b>(2,727)</b>	<b>5,497</b>	<b>(2,923)</b>	-	<b>(2,727)</b>

## 9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 2015.



**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 announcements on 27 April 2016 on the Proposed Bonus Issue and the Grant of Employees' Share Option Scheme ("ESOS") to the additional Directors of the Company ("Proposed Grant of ESOS Options") who were appointed after 14 November 2013, the date of the implementation of the ESOS.

The Proposed Bonus Issue entails the issuance of 44,475,744 bonus shares to be credited as fully paid-up, on the basis of one (1) bonus share for every ten (10) existing shares of the Company held by the shareholders of the Company on the entitlement date to be determined and announced later by the Company.

Bursa Malaysia Securities Berhad had vide its letter of 3 May 2016 approved the listing of and quotation for the 44,475,744 bonus shares on the Main Market of Bursa Malaysia Securities Berhad to be issued pursuant to the Proposed Bonus Issue.

Both the above proposals are subject to approval of the Company's shareholders' at the forthcoming Extraordinary General Meeting to be convened on 24 May 2016.

**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 12 January 2016, the Company announced that it had incorporated a wholly-owned subsidiary known as Tadmax Coastal Sdn Bhd with an issued and paid-up share capital of RM2 comprising 2 ordinary shares of RM1.00 each, a company intended to be utilized for the Group's property development and/or construction activities.

b) On 17 March 2016, the Company announced the subscription of five hundred and fifty thousand shares of the issued and paid up capital of Wawasan Metro Bina Sdn Bhd ("WMB") for a total subscription price of RM550,000, resulting in a 55% equity interests in WMB. WMB's principal activities are that of property development.

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

There were no additional contingent liabilities or contingent assets since 31 December 2015 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 2016.

**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) %
	31/03/2016	31/03/2015				31/03/2016	31/03/2015	
<b>Revenue</b>								
• Property	3,104	-	100%	4,500	-31%	3,104	-	100%
• Industrial supplies	2,393	-	100%	4,309	-44%	2,393	-	100%
• Timber	-	-	-	-	-	-	-	-
• Investment holding	-	-	-	-	-	-	-	-
• Others	-	-	-	-	-	-	-	-
	<b>5,497</b>	-	100%	<b>8,809</b>	-38%	<b>5,497</b>	-	100%
<b>Profit/(Loss) before tax</b>								
• Property	(423)	(290)	46%	(2,198)	-81%	(423)	(290)	46%
• Industrial supplies	131	-	100%	38	245%	131	-	100%
• Timber	-	(2)	-100%	-	-	-	(2)	-100%
• Investment holding	(2,036)	(1,769)	15%	3,903	-152%	(2,036)	(1,769)	15%
• Others	(552)	(616)	-10%	(423)	30%	(552)	(616)	-10%
	<b>(2,880)</b>	<b>(2,677)</b>	8%	<b>1,320</b>	-318%	<b>(2,880)</b>	<b>(2,677)</b>	8%
Finance costs	(43)	(50)	-14%	(25)	72%	(43)	(50)	-14%
	<b>(2,923)</b>	<b>(2,727)</b>	7%	<b>1,295</b>	-326%	<b>(2,923)</b>	<b>(2,727)</b>	7%

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

The current quarter reported a higher turnover by RM5.5 million due to contribution from both the property segment and industrial business segment whilst the preceding corresponding quarter, there were no turnover from both the property segment and industrial business segment. This was because the property development at Gangarak, Labuan Federal Territory only commenced from June 2015. Losses in the current quarter was further augmented by the expenses incurred in raising bank borrowings.

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

Revenue was lower in current quarter due to lower contribution from the Property and Industrial business segments. Property segment registered a lower percentage completion vis-a-vis preceding quarter due to some delay in the progress of the property development caused by shortages of certain building materials. Further, in the preceding quarter, Industrial Supplies segment was assisted by deliveries to a project site that has completed construction at end of Dec 2015. On profitability, the preceding quarter was assisted by net profit of RM6.1 million arising from the disposal of Tadmax Power Sdn Bhd.

**16. Prospects**

ON the backdrop of the challenging operating environment faced by the property and construction sectors, opportunities will abound and the Company will continue be on the lookout for suitable strategic businesses for M&A to enable the Company to consolidate and strengthen the Group's foothold in the property development and construction businesses and where justified to acquire other businesses to expand its earnings base.

For the year 2016, the turnover from the Property business segment is expected to improve significantly in line with the expected increase in the stages of development to be attained of its property project in Ganggarak, Labuan Federal Territory. In further enhancing the Property business segment, the Group is also presently actively identifying suitable lands for acquisition to undertake property development and construction projects.

Meanwhile, the contributions from the Industrial Supplies business segment is expected to complement the Property business segment.

Based on the prospects of the above projects amid a challenging external environment, the Board of Directors remain cautiously optimistic that the Group will register a satisfactory performance in the financial year ending 2016.

**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)	
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
Current tax:				
Malaysian income tax	-	-	-	-
Under/ (Over) provision of Malaysian income tax in prior years	-	-	-	-
Deferred tax	149	(152)	149	(152)
Total income tax expense	149	(152)	149	(152)

Included in the income tax figure for the quarter ended 31 March 2016 are the net adjustment for deferred tax charges in respect of amortization of prepaid land lease payment with cultivation rights, prepaid land lease payment 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 obtained vide letter of 19 March 2015 and this was followed by the receipt of the separate issue document of title on 26 September 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. The appropriate announcement will be released to Bursa Securities upon agreement between the parties.

**20. Group Borrowings and Debts Securities**

Group borrowings are as follows:-

	<b>As at 31/03/2016 RM'000</b>	<b>As at 31/03/2015 RM'000</b>
(a) Current borrowings – secured		
Term loans	20,000	8,500
Bridging Loan	3,256	-
Hire purchase payable	645	159
	<u>23,901</u>	<u>8,659</u>
(b) Non-current borrowings – secured		
Hire purchase payable	817	383
	<u>817</u>	<u>383</u>

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

There were no outstanding derivatives as at 31 March 2016.

**(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>31/03/2016 RM'000</b>	<b>31/03/2015 RM'000</b>	<b>31/03/2016 RM'000</b>	<b>31/03/2015 RM'000</b>
Net gain from fair value adjustment	<u>-</u>	<u>38</u>	<u>-</u>	<u>38</u>

The above gain arose from amortization of other receivable.

**22. Material Litigation**

There was no other material litigation pending as at 19 May 2016 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

**23. Dividend Payable**

No interim ordinary dividend has been declared for the financial period ended 31 March 2016 (31 March 2015: Nil).

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

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

	<b>Current Quarter 31/03/2016</b>	<b>Cumulative Quarter 31/03/2016</b>
Loss for the financial period attributable to equity holders of the Company (RM'000)	2,994	2,994
Weighted average number of ordinary shares in issue ('000)	444,757	444,757
Basic earnings/(loss) per share (sen)	(0.7)	(0.7)

## 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 Profit/(Losses)**

	<b>As at 31/03/2016 RM'000</b>	<b>As at 31/12/2015 RM'000</b>
Total retained earnings of Company and its subsidiaries:		
- Realised	35,932	38,692
- Unrealised	683	917
Total Group retained earnings	36,615	39,609

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

	<b>Current Quarter 31/03/2016 RM'000</b>	<b>Cumulative Quarter 31/03/2016 RM'000</b>
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Interest income	17	17
<i>and after charging:-</i>		
Interest expense	43	43
Rental of staff houses	24	24
Depreciation of property, plant and equipment	326	326
Loss on disposal of property, plant and equipment	15	15
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 2016.

**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 19 May 2016.