

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2016
(The figures have not been audited)

	2nd Quarter 3 months ended		Cumulative to Date 6 months ended	
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Continuing Operations				
Revenue	9,632	982	15,129	982
Cost of sales	<u>(8,804)</u>	<u>(885)</u>	<u>(13,635)</u>	<u>(885)</u>
Gross profit	828	97	1,494	97
Other operating income/(expenses)	256	74,370	322	74,416
Operating expenses	<u>(3,609)</u>	<u>(2,403)</u>	<u>(7,221)</u>	<u>(5,126)</u>
Operating profit/(loss)	<u>(2,525)</u>	<u>72,064</u>	<u>(5,405)</u>	<u>69,387</u>
Finance costs	<u>(446)</u>	<u>(162)</u>	<u>(489)</u>	<u>(212)</u>
Profit/(Loss) before taxation	<u>(2,971)</u>	<u>71,902</u>	<u>(5,894)</u>	<u>69,175</u>
Taxation	<u>(148)</u>	<u>(361)</u>	<u>(297)</u>	<u>(209)</u>
Net profit/(loss) from continuing operations	<u>(3,119)</u>	<u>71,541</u>	<u>(6,191)</u>	<u>68,966</u>
Discontinuing operations	-	-	-	-
Net profit/(loss) for the financial period	<u>(3,119)</u>	<u>71,541</u>	<u>(6,191)</u>	<u>68,966</u>
Other comprehensive income/(loss)				
Foreign currency translation	<u>(131)</u>	<u>126</u>	<u>54</u>	<u>163</u>
Total comprehensive profit/(loss) for the period	<u>(3,250)</u>	<u>71,667</u>	<u>(6,137)</u>	<u>69,129</u>
Net profit/(loss) attributable to :				
Owners of the Company	<u>(2,847)</u>	<u>71,630</u>	<u>(5,841)</u>	<u>69,101</u>
Non-controlling interests	<u>(272)</u>	<u>(89)</u>	<u>(350)</u>	<u>(135)</u>
	<u>(3,119)</u>	<u>71,541</u>	<u>(6,191)</u>	<u>68,966</u>
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	<u>(2,978)</u>	<u>71,756</u>	<u>(5,787)</u>	<u>69,264</u>
Non-controlling interests	<u>(272)</u>	<u>(89)</u>	<u>(350)</u>	<u>(135)</u>
	<u>(3,250)</u>	<u>71,667</u>	<u>(6,137)</u>	<u>69,129</u>
Basic earnings/(loss) per ordinary share (sen)				
- from continuing operations	<u>(0.68)</u>	<u>16.09</u>	<u>(1.38)</u>	<u>15.51</u>
- from discontinuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(0.68)</u>	<u>16.09</u>	<u>(1.38)</u>	<u>15.51</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 30 JUNE 2016

	(UNAUDITED) As At End Of Current Quarter 30/06/2016 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,887	15,218
Prepaid land lease payments	2,306	2,352
Prepaid land lease payments with cultivation rights	60,129	61,114
Investment in joint venture	14	14
Other investment	100	100
Timber concession rights	218,000	218,000
Land and development expenditure	7,735	7,630
Deferred tax assets	1,121	1,713
	330,292	306,141
Current assets		
Inventories	780	721
Land and development expenditure	5,440	30,727
Amount due from contract customers	-	-
Trade receivables	12,068	13,380
Other receivables, deposits and prepayments	36,256	33,783
Tax recoverable	1,067	1,085
Deposits placed with licensed banks	14,053	3,642
Cash and bank balances	3,593	2,003
	73,257	85,341
TOTAL ASSETS	403,549	391,482
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	244,854	222,616
Share premium	1,367	1,367
Treasury shares	(155)	(155)
Reserves:		
- translation reserve	920	866
- retained profits/(accumulated losses)	11,530	39,609
Shareholders' funds	258,516	264,303
Non-controlling interests	28,279	28,179
Total equity	286,795	292,482

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 - continued

	(UNAUDITED)	(AUDITED)
	As At End Of Current Quarter 30/06/2016 RM'000	As At Preceding Financial Year End 31/12/2015 RM'000
Non-current liabilities		
Deferred tax liabilities	70,107	70,364
Hire purchase liabilities	666	984
	70,773	71,348
Current liabilities		
Trade payables	5,632	5,482
Other payables, deposits and accruals	9,573	14,485
Progress billing	3,625	3,250
Amount due to customers on contract	494	748
Amount due to directors	1,338	1,546
Hire purchase liabilities	580	641
Bank borrowings	24,739	1,500
Tax payables	-	-
	45,981	27,652
TOTAL LIABILITIES	116,754	99,000
TOTAL EQUITY AND LIABILITIES	403,549	391,482
	-	-
Net assets per share attributable to ordinary equity holders of the parent (sen)	53	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 PERIOD ENDED 30 JUNE 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			
<u>6 months ended 30 June 2016</u>								
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	-	-	-	-	(5,841)	(5,841)	(350)	(6,191)
Bonus Issue	22,238	-	-	-	(22,238)	-	-	-
Exchange differences on translation of foreign entities	-	-	-	54	-	54	-	54
As at 30 June 2016	244,854	1,367	(155)	920	11,530	258,516	28,279	286,795
-								
<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 30 June 2015	222,616	1,367	(155)	1,111	41,185	266,124	28,303	294,427
-								

(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 FINANCIAL PERIOD ENDED 30 JUNE 2016
(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter
	30/06/2016	30/06/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(5,894)	69,175
<u>Adjustments for non-cash items:</u>		
Amortisation of prepaid land lease payments:	46	46
Gain on disposal of subsidiary companies	-	(141,541)
Goodwill written off	-	67,210
Amortisation of prepaid land lease payments with cultivation rights	986	986
Depreciation	864	360
Gain on recognition of financial assets	-	(38)
Interest expense	489	212
Interest income	(182)	(46)
Gain on disposal of plant and equipment	(56)	-
Plant and equipment written off	-	8
Operating loss before working capital changes	(3,747)	(3,628)
<u>Changes in working capital:</u>		
Inventories	(59)	(4,792)
Contract customers	(253)	2,273
Land and Development expenditure	(915)	-
Receivables	(645)	(27,442)
Payables	(4,603)	(25,253)
Cash generated from/(used in) operations	(10,222)	(58,842)
Interest received	182	46
Interest paid	(489)	(212)
Net of tax paid	-	1,056
Net cash from/(used in) operating activities	(10,529)	(57,952)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(446)	(1,976)
Increase in other investments	-	(50)
Proceeds from disposal of subsidiary companies, net of cash and cash equivalents	-	279,613
Proceeds from disposal of a plant & equipment	212	-
Subscription of shares in a new subsidiary, net of cash and cash equivalent (Note 2)	18	-
Net cash from/(used in) investing activities	(216)	277,587
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/Advances from directors	(207)	(5,367)
Drawn down of bank borrowings	24,029	-
Repayment of bank borrowings	(790)	(209,440)
Repayment of hire purchase liabilities	(379)	(102)
Net cash used in financing activities	22,653	(214,909)
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,908	4,726
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	93	158
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	5,615	2,424
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD (Note 1)	17,616	7,308
	-	-

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 JUNE 2016 - continued
(The figures have not been audited)

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

	As at 30/06/2016 RM'000	As at 30/06/2015 RM'000
<u>Note 1</u>		
Deposits placement with licensed banks	14,053	4,652
Cash and bank balances	3,593	2,656
	<u>17,646</u>	<u>7,308</u>
Less: Deposit pledged with bank as security for banking facilities	(30)	-
	<u>17,616</u>	<u>7,308</u>

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 :-

	As at date of subscription RM'000
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	<u>550</u>
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	<u><u>(18)</u></u>

(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 30 June 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 except for the bonus issue of 44,475,348 new ordinary shares of RM0.50 each (“Bonus Shares”) to be credited as fully paid up on the basis of one Bonus Share for every ten existing shares held in Tadmax Resources Berhad at 5.00 pm on 9 June 2016. These Bonus Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 10 June 2016.

7. Dividends Paid

There was no dividend paid during the current quarter ended 30 June 2016 (30 June 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 6 months ended			
	30/06/2016		30/06/2015		30/06/2016		30/06/2015	
	Revenue RM'000	Profit/(Loss) Taxation RM'000	Revenue RM'000	Profit/(Loss) Taxation RM'000	Revenue RM'000	Profit/(Loss) Taxation RM'000	Revenue RM'000	Profit/(Loss) Taxation RM'000
• Property	6,467	(354)	982	(126)	9,571	(777)	982	(416)
• Industrial supplies	3,165	174	-	(38)	5,558	305	-	(38)
• Timber	-	-	-	(3)	-	-	-	(5)
• Investment holding	-	(1,802)	-	139,586	-	(3,838)	-	137,817
• Others	-	(543)	-	(67,355)	-	(1,095)	-	(67,971)
	9,632	(2,525)	982	72,064	15,129	(5,405)	982	69,387
Finance costs	-	(446)	-	(162)	-	(489)	-	(212)
	9,632	(2,971)	982	71,902	15,129	(5,894)	982	69,175

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 following :-

- (i) The entering into an unconditional Share Sale Agreement (“SSA”) to acquire the remaining 45% equity interests in Wawasan Metro Bina Sdn Bhd (“WMB”) from three (3) corporate entities, namely Inas Angkasa Sdn Bhd, Impiria Jaya Sdn Bhd and Global Showcase Sdn Bhd, each owning 15% each in WMB for a total cash consideration of RM42,000,000. The acquisition will enable Tadmax Group to have complete control of WMB operations as well as its future strategic directions which is in line with Tadmax’s aim to further strengthen its foothold in the property development and construction activities. Further, this acquisition also presents an opportunity for the Tadmax Group to consolidate WMB earnings in full as its wholly-owned subsidiary company and WMB is expected to contribute positively to Tadmax Group’s future earnings upon the commencement of property development activities.
- (ii) The receipt by the Company of a Letter of Award dated 2 August 2016 from the Government of Malaysia, through the Energy Commission (“EC”) for the development of a new 1,000 MW combined cycle gas-fired power plant which will be situated on Tadmax Group existing land in Pulau Indah, Selangor Darul Ehsan (“the Project”).

The Letter of Award is subject to various conditions including finalizing the terms of the agreement relating to the Project with relevant parties and further subject to changes arising from negotiations prior to submission to EC. In line with the decision of the Government of Malaysia, Tenaga Nasional Berhad is to be invited to participate in the Project. The Board of Tadmax will be deliberating and studying on the Letter of Award.

Tadmax will make the appropriate announcement to Bursa Malaysia as and when there are material developments in relation to the Project.

11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

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 30 June 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		Cumulative Quarter		Inc/(Dec) %
	30/06/2016	30/06/2015		31/03/2016	Inc/(Dec) %	30/06/2016	30/06/2015	
Revenue								
• Property	6,467	982	559%	3,104	108%	9,571	982	875%
• Industrial supplies	3,165	-	100%	2,393	32%	5,558	-	100%
• Timber	-	-	-	-	-	-	-	-
• Investment holding	-	-	-	-	-	-	-	-
• Others	-	-	-	-	-	-	-	-
	9,632	982	881%	5,497	75%	15,129	982	1441%
Profit/(Loss) before tax								
• Property	(354)	(126)	181%	(423)	-16%	(777)	(416)	87%
• Industrial supplies	174	(38)	-558%	131	33%	305	(38)	-903%
• Timber	-	(3)	-100%	-	-	-	(5)	-100%
• Investment holding	(1,802)	139,586	-101%	(2,036)	-11%	(3,838)	137,817	-103%
• Others	(543)	(67,355)	-99%	(552)	-2%	(1,095)	(67,971)	-98%
	(2,525)	72,064	-104%	(2,880)	-12%	(5,405)	69,387	-108%
Finance costs	(446)	(162)	175%	(43)	937%	(489)	(212)	131%
	(2,971)	71,902	-104%	(2,923)	2%	(5,894)	69,175	-109%

Review on Performance - Current Quarter compared to Corresponding Quarter

The revenue of the current quarter is significantly higher due to revenue in the corresponding quarter reflected the initial revenue recognition following the launch of Phase I the Group's property development in Ganggarak, Labuan on 1 April 2015. The current quarter revenue was further augmented by the commencement of the Block C, Phase II of the same development. The higher cost of construction due to the location of the development project in Labuan contributed to the operating loss of the current quarter of RM355,000. However, on the profitability front, the corresponding quarter reported a substantial profits arising from the profits on the disposal of Tadmax Power Sdn Bhd of RM141.5 million which was set off by goodwill write off of RM67.2 million. Excluding the above mentioned profits, the operating loss for the current quarter of RM2.5 mil is close to the corresponding quarter of RM2.3 mil.

Review on Performance - Current Quarter compared to Preceding Quarter

The higher rate of progress of the construction in Labuan was a major contributor to the higher turnover of RM6.5 million vis-a-vis the corresponding quarter of RM3.1 million with the registration of a higher percentage completion vis-a-vis preceding quarter. The turnover of Industrial Supplies segment also was higher by 48%. In line with the higher turnover in the current quarter, losses before finance cost was lower at RM2.5 million vis-a-vis the preceding quarter of RM2.9 million.

16. Prospects

The Group foresees the demand for affordable residential properties is still sustainable given Malaysia's relatively young population and labour force, and increasing urbanisation. This is especially in the Klang Valley.

Therefore, the Group has been actively working on the current project which is located at Klang Valley and its forthcoming residential development project in Kepong comprising affordable home and residential condominium are slated for launching in the 4th quarter of this financial year. The Group is also confident that its strategy to launch mid-priced range products in strategic locations will garner favourable sales and henceforth contribute favourably to the Group's earning in the next few financial years.

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

Based on the above, barring unforeseen circumstances, the Board of Directors is cautiously optimistic that the Group will register a satisfactory performance in the financial year ended 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 (6 months ended)	
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Current tax:				
Malaysian income tax	-	-	-	-
	-	-	-	-
Under/ (Over) provision of Malaysian income tax in prior years	-	-	-	-
	-	-	-	-
Deferred tax	148	361	297	209
Total income tax expense	<u>148</u>	<u>361</u>	<u>297</u>	<u>209</u>

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

On 24 June 2016, the Company and the Purchaser have mutually and amicably agreed to terminate the Varied SPA and discharge each other from the further performance of any of the terms and conditions of the Varied SPA through the execution of a Mutual Termination Agreement (“Mutual Termination”).

The execution of the Mutual Termination led to the Varied SPA becomes null and void and neither party shall have any claims whatsoever, directly or indirectly against the other in respect of the Varied SPA and any monies received by Tadmax shall be refunded to the Purchaser, free of interest.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30/06/2016 RM'000	As at 30/06/2015 RM'000
(a) Current borrowings – secured		
Term loans	20,000	8,500
Bridging Loan	4,739	-
Hire purchase payable	580	565
	<u>25,319</u>	<u>9,065</u>
(b) Non-current borrowings – secured		
Hire purchase payable	666	1,300
	<u>666</u>	<u>1,300</u>

21. Financial Instruments

(a) Derivatives

There were no outstanding derivatives as at 30 June 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:

	Current Quarter (3 months ended)		Cumulative Quarter (6 months ended)	
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Net gain from fair value adjustment	-	-	-	38

The above gain arose from amortization of other receivable.

22. Material Litigation

There was no material litigation pending as at 18 August 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 30 June 2016 (30 June 2015: Nil).

24. Earnings/(Loss) Per Share

a) Basic Earnings/(Loss) Per Share

	Current Quarter 30/06/2016	Cumulative Quarter 30/06/2016
Loss for the financial period attributable to equity holders of the Company (RM'000)	2,847	5,841
Weighted average number of ordinary shares in issue ('000)	455,510	450,134
Basic earnings/(loss) per share (sen)	(0.63)	(1.30)

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)

	As at 30/06/2016 RM'000	As at 31/12/2015 RM'000
Total retained earnings of Company and its subsidiaries:		
- Realised	10,927	38,692
- Unrealised	603	917
Total Group retained earnings	11,530	39,609

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

	Current Quarter 30/06/2016 RM'000	Cumulative Quarter 30/06/2016 RM'000
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Interest income	165	182
Gain on disposal of property, plant and equipment	71	71
<i>and after charging:-</i>		
Interest expense	446	489
Rental of staff houses	31	55
Depreciation of property, plant and equipment	538	864
Loss on disposal of property, plant and equipment	-	15
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 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 25 August 2016.