

TADMAX RESOURCES BERHAD (Company No. 8184-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2016
(The figures have not been audited)

	4th Quarter 3 months ended		Cumulative to Date 12 months ended	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Continuing Operations				
Revenue	13,624	8,809	42,362	13,179
Cost of sales	<u>(12,169)</u>	<u>(8,348)</u>	<u>(38,127)</u>	<u>(12,222)</u>
Gross profit	1,455	461	4,235	957
Other operating income/(expenses)	433	73,688	873	148,240
Operating expenses	<u>(5,815)</u>	<u>(72,830)</u>	<u>(17,248)</u>	<u>(81,127)</u>
Operating (loss)/profit	<u>(3,927)</u>	<u>1,319</u>	<u>(12,140)</u>	<u>68,070</u>
Finance costs	<u>(37)</u>	<u>(25)</u>	<u>(982)</u>	<u>(356)</u>
(Loss)/Profit before taxation	<u>(3,964)</u>	<u>1,294</u>	<u>(13,122)</u>	<u>67,714</u>
Taxation	<u>(386)</u>	<u>(118)</u>	<u>(917)</u>	<u>(448)</u>
Net (loss)/profit from continuing operations	<u>(4,350)</u>	<u>1,176</u>	<u>(14,039)</u>	<u>67,266</u>
Discontinuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (loss)/profit for the financial period	<u>(4,350)</u>	<u>1,176</u>	<u>(14,039)</u>	<u>67,266</u>
Other comprehensive income/(loss)				
Foreign currency translation	<u>(285)</u>	<u>(262)</u>	<u>(456)</u>	<u>(82)</u>
Total comprehensive (loss)/profit for the period	<u>(4,635)</u>	<u>914</u>	<u>(14,495)</u>	<u>67,184</u>
Net (loss)/profit attributable to :				
Owners of the Company	<u>(4,289)</u>	<u>1,233</u>	<u>(13,769)</u>	<u>67,525</u>
Non-controlling interests	<u>(61)</u>	<u>(57)</u>	<u>(270)</u>	<u>(259)</u>
	<u>(4,350)</u>	<u>1,176</u>	<u>(14,039)</u>	<u>67,266</u>
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	<u>(4,574)</u>	<u>971</u>	<u>(14,225)</u>	<u>67,443</u>
Non-controlling interests	<u>(61)</u>	<u>(57)</u>	<u>(270)</u>	<u>(259)</u>
	<u>(4,635)</u>	<u>914</u>	<u>(14,495)</u>	<u>67,184</u>
Basic (loss)/earnings per ordinary share (sen)				
- from continuing operations	<u>(0.89)</u>	<u>0.26</u>	<u>(2.99)</u>	<u>15.12</u>
- from discontinuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(0.89)</u>	<u>0.26</u>	<u>(2.99)</u>	<u>15.12</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 DECEMBER 2016

	(UNAUDITED) As At End Of Current Quarter 31/12/2016 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,251	15,218
Prepaid land lease payments	2,259	2,352
Prepaid land lease payments with cultivation rights	59,143	61,114
Investment in joint venture	14	14
Other investment	50	100
Timber concession rights	218,000	218,000
Land and development expenditure	9,138	7,630
Deferred tax assets	590	1,713
	330,445	306,141
Current assets		
Inventories	1,049	721
Land and development expenditure	89,868	30,727
Progress billing	1,427	-
Trade receivables	8,019	13,380
Other receivables, deposits and prepayments	33,426	33,783
Tax recoverable	1,067	1,085
Deposits placed with licensed banks	30	3,642
Cash and bank balances	9,826	2,003
	144,712	85,341
TOTAL ASSETS	475,157	391,482
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	244,854	222,616
Share premium	1,367	1,367
Share Option Reserves	352	-
Treasury shares	(155)	(155)
Reserves:		
- translation reserve	410	866
- retained profits/(accumulated losses)	3,602	39,609
Shareholders' funds	250,430	264,303
Non-controlling interests	27,909	28,179
Total equity	278,339	292,482

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

	(UNAUDITED) As At End Of Current Quarter 31/12/2016 RM'000	(AUDITED) As At Preceding Financial Year End 31/12/2015 RM'000
Non-current liabilities		
Deferred tax liabilities	82,999	70,364
Hire purchase liabilities	1,010	984
Bank borrowings	15,675	-
	99,684	71,348
Current liabilities		
Trade payables	17,773	5,482
Other payables, deposits and accruals	49,095	14,485
Progress billing	-	3,250
Amount due to customers on contract	788	748
Amount due to directors	2,792	1,546
Hire purchase liabilities	857	641
Bank borrowings	25,673	1,500
Tax payables	156	-
	97,134	27,652
TOTAL LIABILITIES	196,818	99,000
TOTAL EQUITY AND LIABILITIES	475,157	391,482
	-	-
Net assets per share attributable to ordinary equity holders of the parent (sen)	51	59

Note: Net assets per share is calculated based on total assets minus total liabilities divided by the total number of ordinary shares 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 YEAR ENDED 31 DECEMBER 2016

(The figures have not been audited)

	Attributable to owners of the Company					Retained profits/ (Accumulated Losses)	Total	Non-controlling Interests	Total Equity
	Share Capital RM'000	Non-Distributable		Distributable					
	Share Premium RM'000	Treasury Shares RM'000	Share Option Reserve RM'000	Other Reserves RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>12 months ended 31 December 2016</u>									
As at 1 January 2016	222,616	1,367	(155)	-	866	39,609	264,303	28,179	292,482
Total comprehensive loss for the period	-	-	-	-	-	(13,769)	(13,769)	(270)	(14,039)
Bonus Issue	22,238	-	-	-	-	(22,238)	-	-	-
Effects pursuant to ESOS on : - grant	-	-	-	352	-	-	352	-	352
Exchange differences on translation of foreign entities	-	-	-	-	(456)	-	(456)	-	(456)
As at 31 December 2016	244,854	1,367	(155)	352	410	3,602	250,430	27,909	278,339
<u>12 months ended 31 December 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	-	-	-	-	-	67,525	67,525	(259)	67,266
Exchange differences on translation of foreign entities	-	-	-	-	(82)	-	(82)	-	(82)
As at 31 December 2015	222,616	1,367	(155)	-	866	39,609	264,303	28,179	292,482

(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 YEAR ENDED 31 DECEMBER 2016
(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter
	31/12/2016	31/12/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(13,122)	67,714
<u>Adjustments for non-cash items:</u>		
Amortisation of prepaid land lease payments:	93	93
Gain on disposal of subsidiary companies	-	(147,653)
Goodwill written off	-	67,834
Amortisation of prepaid land lease payments with cultivation rights	1,971	1,972
Depreciation	2,036	1,040
Gain on recognition of financial assets	-	(38)
Unrealised Gain on foreign exchange	-	(36)
Interest expense	982	356
Interest income	(305)	(175)
Share options granted under ESOS	352	
Net gain on disposal of plant and equipment	(59)	18
Gift of club membership to outgoing Director	50	-
Plant and equipment written off	-	7
Operating loss before working capital changes	(8,002)	(8,868)
<u>Changes in working capital:</u>		
Inventories	(328)	(721)
Progress Billing	(4,676)	3,250
Contract customers	40	4,224
Land and Development expenditure	(31,207)	(2,181)
Receivables	6,218	(27,609)
Payables	46,148	(25,294)
Cash generated from/(used in) operations	8,193	(57,199)
Interest received	305	175
Interest paid	(1,849)	(356)
Net of tax refunded/(paid)	(68)	(756)
Net cash from/(used in) operating activities	6,581	(58,136)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note 1)	(1,036)	(1,987)
Increase in other investments	-	(50)
Proceeds from disposal of subsidiary companies, net of cash and cash equivalents	-	287,682
Proceeds from disposal of plant & equipment	262	132
Fixed Deposit pledged as security	-	(30)
Subscription and acquisition of shares in a new subsidiary (Note 2)	(41,982)	-
Net cash from/(used in) investing activities	(42,756)	285,747
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/Advances from directors	1,783	(7,276)
Drawn down of bank borrowings	47,964	-
Repayment of bank borrowings	(8,116)	(216,440)
Repayment of hire purchase liabilities	(749)	(453)
Net cash from/(used in) financing activities	40,882	(224,169)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,707	3,442
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(496)	(251)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	5,615	2,424
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	9,826	5,615

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

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

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Deposits placement with licensed banks	30	3,642
Cash and bank balances	9,826	2,003
	9,856	5,645
Less: Deposit pledged with bank as security for banking facilities	(30)	(30)
	9,826	5,615

NOTE 1 - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of RM2,027,000 of which RM991,000 was acquired under hire purchase arrangements by the Group. Cash payment made by the Group for the acquisition of property, plant and equipment amounted to RM1,036,000.

NOTE 2 - SUBSCRIPTION AND ACQUISITION OF SHARES IN A NEW SUBSIDIARY

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

	As at date of subscription & acquisition RM'000
Property Plant & Equipment	4
Property Development Expenditure	54,815
Other Debtor & Deposits	500
Cash & Bank Balance	568
Deferred Tax Liabilities	(13,121)
Other Payables and Accruals	(216)
Net Impact	42,550
Cash Consideration for subscription and acquisition	42,550
Less: Cash & cash equivalent in subscription and acquisition of shares	(568)
Net cash inflow on the subscription and acquisition of shares	41,982

(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 December 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 December 2016 (31 December 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 12 months ended			
	31/12/2016		31/12/2015		31/12/2016		31/12/2015	
	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	9,745	(1,988)	4,500	(2,197)	29,080	(3,686)	7,742	(3,056)
• Industrial supplies	3,879	471	4,309	37	13,282	1,213	5,437	(177)
• Timber	-	-	-	-	-	-	-	(9)
• Investment holding	-	(1,988)	-	3,903	-	(7,602)	-	140,256
• Others	-	(422)	-	(424)	-	(2,065)	-	(68,944)
	13,624	(3,927)	8,809	1,319	42,362	(12,140)	13,179	68,070
Finance costs	-	(37)	-	(25)	-	(982)	-	(356)
	13,624	(3,964)	8,809	1,294	42,362	(13,122)	13,179	67,714

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.

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 31 December 2016.

14. Significant Related Party Transactions

There are no significant related party transactions 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)
	31/12/2016	31/12/2015	%	30/09/2016	%	31/12/2016	31/12/2015	%
Revenue								
• Property	9,745	4,500	117%	9,764	0%	29,080	7,742	276%
• Industrial supplies	3,879	4,309	-10%	3,845	1%	13,282	5,437	144%
	13,624	8,809	55%	13,609	0%	42,362	13,179	221%
Profit/(Loss) before tax								
• Property	(1,988)	(2,197)	-10%	(921)	116%	(3,686)	(3,056)	21%
• Industrial supplies	471	37	1173%	437	8%	1,213	(177)	-785%
• Timber	-	-	0%	-	-	-	(9)	-100%
• Investment holding	(1,988)	3,903	-151%	(1,776)	12%	(7,602)	140,256	-105%
• Others	(422)	(424)	0%	(548)	-23%	(2,065)	(68,944)	-97%
	(3,927)	1,319	-398%	(2,808)	40%	(12,140)	68,070	-118%
Finance costs	(37)	(25)	48%	(456)	-92%	(982)	(356)	176%
	(3,964)	1,294	-406%	(3,264)	21%	(13,122)	67,714	-119%

Review on Performance - Current Quarter compared to Corresponding Quarter

The higher percentage completion of Phase 1 property development project in Ganggarak, Labuan FT coupled with the commencement of revenue recognition from Phase 2 of the same development since 2nd quarter 2016, contributed to the two-fold increase in revenue in the current quarter compared to the corresponding preceding year quarter. Industrial supplies business segment showed a decrease in current quarter due to the lower off-take from the Labuan Project. A loss before tax of RM3.94 million was registered in the current quarter vis-à-vis a profit before tax of RM1.29 million in the corresponding quarter of last year as the corresponding quarter recognized a profit on the disposal of a subsidiary that is not recurring in current quarter amounted RM6.1 million.

Review on Performance - Current Quarter compared to Preceding Quarter

Continuing from the momentum of the last quarter, the revenue for current quarter is in line with the last preceding quarter. Despite higher turnover, higher losses before finance cost was registered in the current quarter due to the higher expenditure incurred by the new property development project in Taman Metropolitan, Kepong which is expected to be launched sometime in March 2017.

16. Prospects

The prospects for Tadmax will be supported by the overall growth in the demand for residential properties, where the shrinking size of households, combined with continued growth in incomes and population, as well as rapid urbanisation, are expected to remain as important drivers of the overall demand for residential properties, especially in major urban areas.

The prospects of the Group are expected to improve in terms of revenue with the subscription and acquisition of 100% equity interest in Wawasan Metro Bina Sdn Bhd (“WMB”) in year 2016. WMB has received the development order to undertake residential development of 3 blocks of affordable apartments consisting of 1,520 units (Phase 1) and 3 blocks of condominiums consisting of 1,512 units (Phase 2) on a land situated at Taman Metropolitan, Kepong, Wilayah Persekutuan Kuala Lumpur. The estimated GDV of the Project is approximately RM981 million and the estimated gross development cost is approximately RM735 million. Phase 2 of the residential development is expected to be launched in March 2017.

The Company is presently undertaking a Proposed Rights Issue with Warrants which will provide the Group with additional cash flow for the Group’s working capital requirements.

Based on the above, the Group is confident of achieving improvement in its financial performance in the coming financial year ending 31 December 2017.

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 (12 months ended)	
	31/12/2016 RM’000	31/12/2015 RM’000	31/12/2016 RM’000	31/12/2015 RM’000
Current tax:				
Malaysian income tax	162	-	240	-
	<u>162</u>	<u>-</u>	<u>240</u>	<u>-</u>
Under/ (Over) provision of Malaysian income tax in prior years	-	-	-	-
	<u>162</u>	<u>-</u>	<u>240</u>	<u>-</u>
Deferred tax	224	118	677	448
Total income tax expense	<u>386</u>	<u>118</u>	<u>917</u>	<u>448</u>

Included in the income tax figure for the quarter ended 31 December 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) Letter of Award for the Development of 1,000MW – 1,200MW Combined Cycle Gas-Fired Power Plant in Pulau Indah

On 3 August 2016, the Company announced that it has received 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 the Group’s existing land in Pulau Indah, Selangor Darul Ehsan (“the Project”). On 14 October 2016, the EC had approved the Company’s application to increase the capacity of the Project to 1,000MW - 1,200 MW.

The Letter of Award is subject to various conditions including finalisation of the terms of the agreement relating to the Project with relevant parties and further subject to changes arising from negotiations.

None of the directors and/or major shareholders of the Company and/or persons connected to the directors and/or major shareholders of the Company have any interest, direct or indirect, in the Project.

The Company will release the appropriate announcement as and when there are material developments in relation to the Project.

(C) Proposed Private Placement

On 15 November 2016, the Company announced that it proposed to undertake the Proposed Private Placement in accordance with section 132D of the Companies Act, 1965, entailing the issuance of up to 49,850,300 new ordinary shares of held in Tadmax (“Tadmax Share(s)” or “Share(s)”) (“Placement Shares”), representing approximately 10% of the issued and paid-up share capital of of the Company assuming all Treasury Shares held are resold and the full exercise of all of the outstanding 8,796,000 ESOS options at an issue price to be determined and announced at a later date. Bursa Securities had vide its letter dated 5 December 2016, approved the listing of and quotation for up to 49,850,300 new Tadmax Shares, subject to among others compliance with the relevant provisions of the Listing Requirements.

The Proposed Private Placement is presently pending the identification of placee(s) to subscribe for the Placement Shares.

(D) Proposed Rights Issue with Warrants

On 7 December 2016, the Company announced that it proposed to undertake a renounceable rights issue of up to 219,341,357 new ordinary shares of in Tadmax (“Rights Shares”) together with up to 383,847,374 free detachable warrants (“Warrants”) on the basis of two (2) Rights Shares for every five (5) existing Tadmax Share together with seven (7) Warrants for every four (4) Rights Shares subscribed at an entitlement date and at an issue price to be determined later (“Proposed Rights Issue with Warrants”).

The Proposed Rights Issue with Warrants is conditional upon the following being obtained:

- (a) Bursa Malaysia Securities Berhad for the admission of the Warrants to the Official List of Bursa Securities, listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and listing of and quotation for the new Tadmax Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities; and
- (b) approval of the shareholders of Tadmax for the Proposed Rights Issue with Warrants at an Extraordinary General Meeting to be convened.

Following the implementation of the Companies Act, 2016 (“New Act”) with effect from 31 January 2017, the Company had on 14 February 2017 announced certain amendments to the Proposed Rights Issue with Warrants to be in line with the New Act which includes amongst others that the issuance of all shares no longer carries a par value, henceforth resulting in the issue price of Rights Shares and exercise price of Warrants shall not be subjected to a price of at least the par value per share of the Company.

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposed Rights Issue with Warrants is expected to be completed in the second quarter of 2017.

20. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
(a) Current borrowings – secured		
Term loan	20,000	-
Bridging Loan	5,673	1,500
Hire purchase payable	857	641
	<u>26,530</u>	<u>2,141</u>
(b) Non-current borrowings – secured		
Hire purchase payable	1,010	984
Bridging Loan	15,675	-
	<u>16,685</u>	<u>984</u>

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

There were no outstanding derivatives as at 31 December 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 (12 months ended)	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Net gain from fair value adjustment	-	-	-	38

The above gain arose from amortization of other receivable.

22. Material Litigation

There was no other material litigation pending as at 16 February 2017 (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 December 2016 (31 December 2015: Nil).

24. Earnings/(Loss) Per Share

a) Basic Earnings/(Loss) Per Share

	Current Quarter 31/12/2016	Cumulative Quarter 31/12/2016
Loss for the financial period attributable to equity holders of the Company (RM'000)	<u>4,289</u>	<u>13,769</u>
Weighted average number of ordinary shares in issue ('000)	<u>489,233</u>	<u>469,790</u>
Basic earnings/(loss) per share (sen)	<u>(0.88)</u>	<u>(2.93)</u>

25. Realised and Unrealised Profit/(Losses)

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total retained earnings of Company and its subsidiaries:		
- Realised	3,187	38,692
- Unrealised	415	917
Total Group retained earnings	<u>3,602</u>	<u>39,609</u>

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

	Current Quarter 31/12/2016 RM'000	Cumulative Quarter 31/12/2016 RM'000
<i>Profit/(Loss) for the period is arrived at after crediting:-</i>		
Interest income	35	305
Gain on disposal of property, plant and equipment	<u>3</u>	<u>74</u>
<i>and after charging:-</i>		
Interest expense	37	982
Share options granted under ESOS	352	352
Rental of staff houses	40	131
Depreciation of property, plant and equipment	594	2,036
Loss on disposal of property, plant and equipment	-	15
Amortisation of prepaid land lease payments	23	93
Amortisation of prepaid land lease payments with cultivation rights	<u>492</u>	<u>1,971</u>

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 year ended 31 December 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 23 February 2017.

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