



# **TDM BERHAD**

**COMPANY NO 6265-P  
( Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENTS  
30 JUNE 2012**



**TDM BERHAD** (Company No 6265-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-12 RM'000	Preceding Year Corresponding Quarter 30-Jun-11 RM'000	Current Quarter To date 30-Jun-12 RM'000	Preceding Quarter To date 30-Jun-11 RM'000
<b>Continuing operations</b>				
Revenue	96,693	117,451	194,364	216,306
Cost of sales	(63,900)	(58,041)	(115,682)	(104,964)
<b>Gross profit</b>	<b>32,793</b>	<b>59,410</b>	<b>78,682</b>	<b>111,342</b>
<b>Other items of income</b>				
Interest income	1,472	1,144	2,847	1,723
Other income	907	2,634	2,411	3,619
<b>Other items of expense</b>				
Distribution costs	(1,379)	(1,784)	(2,914)	(3,216)
Administration expenses	(19,149)	(17,226)	(39,672)	(30,319)
Other expenses	(820)	(816)	(1,738)	(1,795)
Finance costs	(18)	(212)	(50)	(253)
<b>Profit before tax from continuing operations</b>	<b>13,806</b>	<b>43,150</b>	<b>39,566</b>	<b>81,101</b>
Income tax expense	(5,248)	(11,757)	(13,062)	(20,329)
<b>Profit from continuing operations, net of tax</b>	<b>8,558</b>	<b>31,393</b>	<b>26,504</b>	<b>60,772</b>
<b>Discontinued operation</b>				
Profit from discontinued operation, net of tax	-	954	-	1,175
<b>Profit for the period, net of tax</b>	<b>8,558</b>	<b>32,347</b>	<b>26,504</b>	<b>61,947</b>
<b>Other comprehensive income :</b>				
Available for sale investments' fair value movement	21	11	29	4
Foreign currency translation	1,406	(3,763)	(4,179)	(970)
<b>Other comprehensive income for the period, net of tax</b>	<b>1,427</b>	<b>(3,751)</b>	<b>(4,150)</b>	<b>(966)</b>
<b>Total comprehensive income for the period</b>	<b>9,985</b>	<b>28,595</b>	<b>22,354</b>	<b>60,981</b>

**TDM BERHAD** (Company No 6265-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2012 (CONT'D.)**

	<b>Current Year Quarter 30-Jun-12 RM'000</b>	<b>Preceding Year Corresponding Quarter 30-Jun-11 RM'000</b>	<b>Current Quarter To date 30-Jun-12 RM'000</b>	<b>Preceding Quarter To date 30-Jun-11 RM'000</b>
<b>Profit attributable to:</b>				
Owner of the parent	9,400	32,125	27,067	61,037
Non-controlling interest	(842)	222	(563)	910
	<b>8,558</b>	<b>32,347</b>	<b>26,504</b>	<b>61,947</b>
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	10,827	28,373	22,917	60,071
Non-controlling interest	(842)	222	(563)	910
	<b>9,985</b>	<b>28,595</b>	<b>22,354</b>	<b>60,981</b>
 Earnings per share (sen):				
(a) Basic (Note 28)	3.88	14.65	11.23	27.57
(b) Diluted (Note 28)	3.87	14.00	11.18	27.28

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)



**TDM BERHAD** (Company No 6265-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012**

	<b>Unaudited As at 30-Jun-12 RM'000</b>	<b>Audited As at 31-Dec-11 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment	597,228	582,250
Biological assets	521,795	501,803
Investment property	11,000	11,000
Goodwill	8,571	8,571
Other investments	4,700	4,700
Available for sale investments	168	151
	<b>1,143,462</b>	<b>1,108,475</b>
<b>Current assets</b>		
Inventories	22,416	23,151
Trade and other receivables	50,223	79,279
Prepayments	864	1,392
Tax recoverable	12,024	297
Cash and bank balances	178,608	224,524
	<b>264,135</b>	<b>328,643</b>
Assets of disposal group classified as held for sale	-	11,942
	<b>264,135</b>	<b>340,585</b>
<b>Total assets</b>	<b>1,407,597</b>	<b>1,449,060</b>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Borrowings	549	926
Trade and other payables	155,036	166,304
Tax payable	3,143	10,350
	158,728	177,580
Liabilities directly associated with disposal group classified as held for sale	-	5,616
	158,728	183,196
<b>Net current assets</b>	<b>105,407</b>	<b>145,447</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,142	1,142
Borrowings	356	564
Deferred tax liabilities	88,971	89,551
	90,469	91,257
<b>Total liabilities</b>	<b>249,197</b>	<b>274,453</b>
<b>Net assets</b>	<b>1,158,400</b>	<b>1,174,607</b>

**TDM BERHAD** (Company No 6265-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012 (CONT'D)**

	<b>Unaudited As at 30-Jun-12 RM'000</b>	<b>Audited As at 31-Dec-11 RM'000</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	241,841	238,046
Share premium	69,219	64,069
Retained earnings	328,852	347,161
Other reserves	494,036	500,463
	1,133,948	1,149,739
<b>Non-controlling interests</b>	24,452	24,868
	<b>1,158,400</b>	<b>1,174,607</b>
<b>Total equity</b>	<b>1,158,400</b>	<b>1,174,607</b>
<b>Total equity and liabilities</b>	<b>1,407,597</b>	<b>1,449,060</b>
 Net assets per share (RM)	4.79	4.93

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

TDM BERHAD (Company No 6265-P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2012

	Attributable to owners of the parent										Non-controlling interests RM'000
	Equity attributable to owners of the parent		Non-distributable		Distributable		Non-distributable				
	Total equity RM'000	RM'000	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total other reserves RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Fair value adjustment reserve RM'000	
<b>At 1 January 2012</b>	1,174,607	1,149,739	238,046	64,069	347,161	500,463	500,435	(1,119)	1,110	37	24,868
Total comprehensive income	22,354	22,917	-	-	27,067	(4,150)	-	(4,179)	-	29	(563)
<b>Transactions with owners</b>											
Issuance of ordinary shares pursuant to ESOS	8,945	8,945	3,795	5,150	-	-	-	-	-	-	-
Share options granted under ESOS	258	258	-	-	-	258	-	-	258	-	-
Exercise of ESOS	(2,099)	(2,099)	-	-	-	(2,099)	-	-	(2,099)	-	-
Acquisition of a new subsidiary	147	-	-	-	-	-	-	-	-	-	147
Lapsed of ESOS pursuant to disposal of a subsidiary	(436)	(436)	-	-	-	(436)	-	-	(436)	-	-
Dividends paid on ordinary shares	(45,376)	(45,376)	-	-	(45,376)	-	-	-	-	-	-
Total transactions with owners	(38,561)	(38,708)	3,795	5,150	(45,376)	(2,277)	-	-	(2,277)	-	147
<b>At 30 June 2012</b>	1,158,400	1,133,948	241,841	69,219	328,852	494,036	500,435	(5,298)	(1,167)	66	24,452
<b>At 1 January 2011 (previously stated)</b>	727,354	709,135	225,572	45,945	229,271	208,347	205,481	(1,793)	4,626	33	18,219
Prior year adjustment	(275)	(275)	-	-	(275)	-	-	-	-	-	-
<b>At 1 January 2011 (restated)</b>	727,079	708,860	225,572	45,945	228,996	208,347	205,481	(1,793)	4,626	33	18,219
Total comprehensive income	60,981	60,071	-	-	61,037	(966)	-	(970)	-	4	910
<b>Transactions with owners</b>											
Issuance of ordinary shares pursuant to ESOS	13,470	13,470	5,893	7,577	-	-	-	-	-	-	-
Share options granted under ESOS	697	697	-	-	-	697	-	-	697	-	-
Exercise of ESOS	(3,374)	(3,374)	-	-	-	(3,374)	-	-	(3,374)	-	-
Dividends paid on ordinary shares	(38,268)	(38,268)	-	-	(38,268)	-	-	-	-	-	-
Total transactions with owners	(27,475)	10,793	5,893	7,577	(38,268)	(2,677)	-	-	(2,677)	-	-
<b>At 30 June 2011</b>	760,585	779,724	231,465	53,522	251,765	204,704	205,481	(2,763)	1,949	37	19,129

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)



**TDM BERHAD** (Company No 6265-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2012**

	Period Ended	
	30-Jun-12 RM'000	30-Jun-11 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	39,566	82,276
Adjustments for:		
Interest expense	50	113
Depreciation of property, plant and equipment	13,761	9,729
Amortisation of livestocks	-	313
Inventories written off	5	-
Impairment loss on trade and other receivables	613	347
Dividend income	(3)	(2)
Interest income	(2,724)	(1,703)
Share options granted under ESOS	258	697
Bad debts written off	2,641	-
Impairment loss on trade and other receivables written back	-	(1)
Trade and other payables written back	-	(1,781)
Property, plant and equipment written off	-	11
Gain on disposal of a subsidiary	(404)	-
Other payables written back	(503)	-
Total adjustments	<u>13,694</u>	<u>7,723</u>
Operating profit before working capital changes	<u>53,260</u>	<u>89,999</u>
<u>Changes in working capital</u>		
Increase/ (Decreased) in inventories	735	(6,965)
Decrease in receivables	25,837	21
Decreased in payables	<u>(11,184)</u>	<u>(3,029)</u>
Total changes in working capital	<u>15,388</u>	<u>(9,973)</u>
Cash from operations	68,648	80,026
Interest paid	(50)	(113)
Interest received	2,724	1,703
Taxes paid	(32,789)	(22,362)
Retirement benefits paid	-	(6)
Net cash generated from operating activities	<u>38,533</u>	<u>59,248</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(28,687)	(19,277)
Addition of livestocks	-	(172)
Addition of plantation development expenditure	(18,151)	(16,160)
Dividend received	3	2
Proceeds from disposal of a subsidiary	1,375	-
Acquisition of a subsidiary	-	(10,256)
Net cash used in investing activities	<u>(45,461)</u>	<u>(45,863)</u>

**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2012 (CONT'D)**

	Period Ended	
	30-Jun-12	30-Jun-11
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Repayment of term loans	(94)	(94)
Repayment of hire purchase facilities	(427)	(618)
Proceeds from issuance of ordinary shares	7,008	10,095
Proceeds from bankers' acceptances and trust receipts	-	2,765
Repayments of bankers' acceptances and trust receipts	-	(2,722)
Dividend paid	(45,376)	(38,268)
Net cash generated from financing activities	<u>(38,889)</u>	<u>(28,842)</u>
<b>Net increase in cash and cash equivalents</b>	(45,816)	(15,457)
<b>Cash and cash equivalents at beginning of the period</b>	<u>224,424</u>	<u>176,100</u>
<b>Cash and cash equivalents at end of the period</b>	<u>178,608</u>	<u>160,643</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash on hand and at banks	18,848	58,737
Deposits with licensed banks	<u>159,760</u>	<u>106,275</u>
Cash and bank balances	178,608	165,012
Less: Bank overdraft	-	(4,369)
Cash and cash equivalents	<u>178,608</u>	<u>160,643</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)





**TDM BERHAD** (Company No 6265-P)  
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**Explanatory Notes Pursuant to FRS 134**

**Notes:-**

**1. Accounting policies and methods**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

**2. Significant accounting policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2011.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of *MFRS 141 Agriculture* (MFRS 141) and *IC Interpretation 15 Agreements for Construction of Real Estate* (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. The Group falls within the scope definition of Transitioning Entities, has decided to apply as Transitioning Entities and adopt Financial Reporting Standards ("FRS") Framework for the current reporting period.

**3. Declaration of audit qualification**

The preceding annual financial statements for the year ended 31 December 2011 were reported without any qualification.

**4. Seasonal or cyclical factors**

The operations of the Group are not affected by any cyclical factors, other than the cyclical production of fresh fruit bunches (FFB).

**5. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter ended 30 June 2012.

**TDM BERHAD** (Company No 6265-P)  
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**Explanatory Notes Pursuant to FRS 134**

**6. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period**

There were no changes in estimates of amounts, which give a material effect in the current interim period.

**7. Details of issue, cancellation, repurchase, resale and repayment of debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter, except for the issuance of the following new ordinary shares of RM1.00 each pursuant to the Employees Share Option Scheme ("ESOS") of the Company .

No.	Option price per share RM	No. of Share issued	Cash proceeds RM
1	1.61	751,800	1,210,398
2	1.90	765,670	1,454,773
<b>Total</b>		<b>1,517,470</b>	<b>2,665,171</b>

**8. Dividends paid**

On 8 June 2011, the Company has paid a tax exempt of final dividend of 18.50 sen per ordinary share in respect of the financial year ended 31 December 2011 as approved by shareholders at the Company's AGM on 17 May 2012.

**9. Segmental reporting**

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
<b>3 months ended 30 June 2012</b>				
<b>Revenue</b>				
Total revenue	80,562	28,529	-	109,091
Intersegment-revenue	(10,936)	(1,462)	-	(12,398)
External revenue	69,626	27,067	-	96,693
Segment result (external)	11,208	2,660	(62)	13,806
Profit before taxation				13,806
<b>3 months ended 30 June 2011</b>				
<b>Revenue</b>				
Total revenue	120,820	24,082	-	144,902
Intersegment-revenue	(26,694)	(757)	-	(27,451)
External revenue	94,126	23,325	-	117,451
Segment result (external)	39,934	3,405	(189)	43,150
Profit before taxation				43,150

**TDM BERHAD** (Company No 6265-P)  
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**Explanatory Notes Pursuant to FRS 134**

**9. Segmental reporting (cont'd)**

	<b>PLANTATION RM'000</b>	<b>HEALTH RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>6 months ended</b>				
<b>30 June 2012</b>				
<b>Revenue</b>				
Total revenue	166,028	56,421	-	222,448
Intersegment-revenue	(25,201)	(2,884)	-	(28,085)
External revenue	<u>140,826</u>	<u>53,537</u>	-	<u>194,364</u>
Segment result (external)	34,446	5,372	(252)	<u>39,566</u>
Profit before taxation				<u>39,566</u>
<b>6 months ended</b>				
<b>30 June 2011</b>				
<b>Revenue</b>				
Total revenue	213,879	45,246	-	259,125
Intersegment-revenue	(40,686)	(2,133)	-	(42,819)
External revenue	<u>173,193</u>	<u>43,113</u>	-	<u>216,306</u>
Segment result (external)	75,600	5,498	2	<u>81,101</u>
Profit before taxation				<u>81,101</u>

	<b>PLANTATION RM'000</b>	<b>HEALTH RM'000</b>	<b>FOOD RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>Total assets</b>					
30 June 2012	<u>1,258,188</u>	<u>146,696</u>	-	<u>2,713</u>	<u>1,407,597</u>
31 December 2011	<u>1,301,120</u>	<u>133,833</u>	<u>11,942</u>	<u>2,165</u>	<u>1,449,060</u>
<b>Total liabilities</b>					
30 June 2012	<u>193,729</u>	<u>53,981</u>	-	<u>1,487</u>	<u>249,197</u>
31 December 2011	<u>248,752</u>	<u>20,074</u>	<u>5,616</u>	<u>11</u>	<u>274,453</u>

**10. Valuation on non-current assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2011.

**11. Significant event**

On 16 May 2012, TDM Berhad had announced that the sale and purchase agreement dated 22 February 2012 between Lembaga Tabung Amanah Warisan Negeri Terengganu and TDM Berhad for the proposed acquisition of leasehold land has been completed.

**TDM BERHAD** (Company No 6265-P)  
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**Explanatory Notes Pursuant to FRS 134**

**12. Material subsequent event**

On 13 July 2012, TDM Berhad had announced that all conditions of the Share Sale Agreement dated 1 April 2011 between TDM Berhad with Intercontinental Nominees Sdn Bhd and Cekal Teguh Sdn Bhd has been fully satisfied. Hence, the balance of the purchase consideration payable via the issuance of 291,519 new TDM shares had been issued and the proposed acquisition is completed.

**13. Changes in the composition of the Group**

There is no changes in the composition of the group during quarter under review.

**14. Capital commitments**

Capital commitments as at period ended 30 June 2012 are as follows:

	<b>RM '000</b>
Authorised by the Directors and contracted	84,529
Authorised by the Directors but not contracted	80,516
	<hr/> <hr/> <b>165,045</b>

**15. Changes in contingent liabilities or contingent assets**

There were no changes in contingent liabilities from the previous audited financial statements to the date of this quarterly report.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT**

**16. Review of the performance of the Group, setting out material factors affecting the earnings and/or revenue of the Group for the current quarter and financial year to date**

**Individual quarter - Q2 2012 versus Q2 2011**

Group revenue of RM96.7 million for the current quarter ended 30 June 2012 was 18% lower than that reported in the previous corresponding quarter. Profit before tax decreased by 68% to RM13.8 million, mainly due to lower production of CPO and PK and higher production costs as compared to the previous corresponding quarter.

Plantation Division

During the quarter under review, the division registered lower revenue and PBT by 26% and 72% respectively, compared to the previous corresponding quarter due to:

- i) Lower production of CPO and PK by 16% and 14% respectively;
- ii) Higher production costs due to increased in fertiliser costs and higher labour cost from incentive payment of RM200 per month for eligible plantation workers.

The average selling prices realised are as follows:

<b>Average Price</b>	<b>Q2'12</b>	<b>Q2'11</b>
CPO (RM/mt)	3,419	3,332
PK (RM/mt)	1,946	2,607

Healthcare Division

For the current quarter, the Healthcare Division's revenue increased by 16% contributed by 12% growth in the number of patients seeking treatment at our hospital.

The recently acquired TDMC Hospital posted healthy increased in revenue by 111% during the quarter, compared to same period last year.

The Healthcare Division's operational profits improved by 2% compared to the same quarter last year. However, the current quarter PBT decreased by 22% mainly due to payable write back of RM0.8 million made in the previous corresponding quarter.

**Explanatory Notes Pursuant to FRS 134**

**16. Review of the performance of the Group, setting out material factors affecting the earnings and/or revenue of the Group for the current quarter and financial year to date (cont'd)**

**1H 2012 versus 1H 2011**

Group revenue of RM194.4 million in the first six month ended 30 June 2012 was 10% lower than that reported in the previous corresponding period. Profit before taxation decreased by 51% to RM39.6 million, compared to RM81.1 million in the previous corresponding period.

Plantation Division

The Plantation Division's revenue and profit before tax for the current period decreased by 19% and 54% respectively, compared to the previous year contributed by:

- i) Lower production of CPO and PK by 8% and 5% respectively; and
- ii) Lower average CPO & PK prices by 6% and 24% respectively:

Average Price	1H'12	1H'11
CPO (RM/mt)	3,237	3,458
PK (RM/mt)	1,927	2,520

- iii) Higher production costs due to increased in fertiliser costs and higher labour cost from incentive payment of RM200 per month for eligible plantation workers.
- iv) Higher depreciation cost mainly from the recent revaluation of non-current assets.

Healthcare Division

The Healthcare Division registered 24% increase in revenue to RM53.5 million from RM43.1 million for the current period as compared to previous period contributed by 24% growth in number of patients seeking treatment at our hospitals.

The Healthcare Division's operational profit improved by 14% compared to the same period last year. However, PBT slightly decreased by 2% mainly due to payable write back of RM0.8 million made in the same period last year.

**17. Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter**

**Individual quarter - Q2 2012 versus Q1 2012**

Group profit before tax for the quarter under review was lower by RM12.0 million or 46% compared to the preceding quarter.

This is mainly due to higher manuring costs incurred in Q2 2012 from higher manuring activities during the quarter compared to Q1 2011.

**18. Commentary on the prospects, including the factors that are likely to influence the Group's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter**

Based on the prevailing CPO and PK prices, the outlook for financial year ending 31 December 2012 remains favourable. Barring unforeseen circumstances, the Group is expected to continue to record satisfactory performance in the current financial year.

**19a. Explanatory note for any variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%)**

Not applicable.

**19b. Explanatory note for any shortfall in the profit guarantee**

There was no profit guarantee issued for the period ended 30 June 2012.

**Explanatory Notes Pursuant to FRS 134**

**20. Profit for the period**

	<b>Current year todate</b>	
	<b>30-Jun-12 RM'000</b>	<b>30-Jun-11 RM'000</b>
<b>The following amounts have been included in arriving at profit before tax:</b>		
Interest expense	50	113
Interest income	(2,724)	(1,703)
Dividend income	(3)	(2)
Depreciation of property, plant and equipment	13,761	9,729
Amortisation of livestocks	-	313
Bad debts written off	2,641	-
Inventories written off	5	-
Impairment loss on trade and other receivables	613	347
Impairment loss on trade and other receivables written back	-	(1)
	<b>14,343</b>	<b>8,796</b>

Saved as disclosed above as required under Appendix B, Part A(16) of the Bursa Listing Requirements are not applicable.

**21. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and preceding quarter to date**

	<b>Current year todate</b>	
	<b>30-Jun-12 RM'000</b>	<b>30-Jun-11 RM'000</b>
Current income tax	13,308	18,434
	13,308	18,434
Deferred tax	(320)	2,039
Over provision of deferred tax	74	(144)
	<b>13,062</b>	<b>20,329</b>

The Group's effective tax rate was higher than the statutory tax rate due to higher disallowable expenses incurred during the quarter under review.

**22. Amount of profits on sale of unquoted investments or properties**

There were no sale of unquoted investments or properties for the current year to date.

**23. Corporate proposals**

Not applicable.

**TDM BERHAD** (Company No 6265-P)  
(Incorporated in Malaysia)

**Explanatory Notes Pursuant to FRS 134**

**24. Borrowings and debt securities as at the end of the reporting period**

Details of the Group's borrowings as at 30 June 2012 are as follows :

<u>Secured</u>	Short-term RM'000	Long-term RM'000	Total RM'000
<b>Continuing operations</b>			
-Term loans	188	265	453
-Hire purchase payables	361	91	452
	549	356	905

**25. Summary of off balance sheet financial instruments by type and maturity profile**

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 30 June 2012.

**26. Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date**

There were no changes in material liabilities since the previous audited financial statements ended 31 December 2011.

**27. Dividend proposed**

No dividend has been proposed for the current quarter under review.

**28. Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Current Year To date 30.6.2012	Preceding Quarter Corresponding To date 30.6.2011
	Current Quarter Ended 30.6.2012	Preceding Year Corresponding Period 30.6.2011		
<b>Basic</b>				
Profit from continuing operations for the period attributable to owners of the parent (RM'000)	9,400	32,125	27,067	61,037
Profit from discontinued operations for the period attributable to owners of the parent (RM'000)	-	954	-	1,175
Profit for the period attributable to owners of the parent (RM'000)	9,400	33,079	27,067	62,211
Weighted average number of ordinary shares in issue	241,645	225,572	240,985	225,572
Basic earnings per ordinary share for (sen)				
- Continuing operations	3.89	14.24	11.23	27.06
- Discontinued operation	-	0.42	-	0.52
Basic earnings per ordinary share for attributable to owners of the parent	3.88	14.65	11.23	27.57

**Explanatory Notes Pursuant to FRS 134**

**28. Earnings per share (cont'd)**

	Individual Quarter		Current Quarter To date 30.6.2012	Preceding Quarter Corresponding To date 30.6.2011
	Current Quarter Ended 30.6.2012	Preceding Year Corresponding Period 30.6.2011		
<b>Diluted</b>				
Profit from continuing operations for the period attributable to owners of the parent (RM'000)	9,400	31,171	27,067	61,037
Profit from discontinued operations for the period attributable to owners of the parent (RM'000)	-	954	-	1,175
Profit for the period attributable to owners of the parent (RM'000)	9,400	32,125	27,067	62,211
Weighted average number of ordinary shares in	241,645	225,572	240,985	225,572
Adjustment for:				
- Share options	839	3,829	845	2,439
- Retention shares pursuant to acquisition of TDMC Hospital Sdn Bhd	186	-	184	-
Weighted average number of shares - diluted	242,670	229,401	242,014	228,011
Diluted earnings per ordinary share for (sen)				
- Continuing operations	3.87	13.59	11.18	26.77
- Discontinued operation	-	0.42	-	0.52
Diluted earnings per ordinary share for attributable to owners of the parent	3.87	14.00	11.18	27.28

**29. Realised and unrealised profits**

	As at 30-Jun-12 RM'000	As at 31-Dec-11 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	260,943	269,901
- Unrealised profits	67,909	77,260
Total Group retained profits as per consolidated accounts	328,852	347,160

- 30.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 9 August 2012.

**BY ORDER OF THE BOARD**

YEAP KOK LEONG  
Company secretary

Kuala Lumpur  
9 August 2012