



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 JUNE 2015**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2015**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-15 RM'000	Preceding Quarter Ended 30-Jun-14 RM'000	Current Quarter To date 30-Jun-15 RM'000	Preceding Quarter To date 30-Jun-14 RM'000
Revenue	94,187	100,756	169,698	188,168
Cost of sales	(62,348)	(59,648)	(116,433)	(104,981)
Gross profit	31,839	41,108	53,265	83,187
Other items of income				
Interest income	7,392	5,116	14,618	9,840
Other income	1,613	1,158	3,796	2,126
Other items of expense				
Distribution costs	(1,736)	(1,530)	(3,705)	(2,738)
Administrative expenses	(22,982)	(20,079)	(51,978)	(42,366)
Other expenses	(5,311)	(5,718)	(11,904)	(10,801)
Finance costs	(1,128)	(40)	(2,639)	(70)
Profit before tax	9,687	20,015	1,453	39,178
Income tax expenses	1,967	(5,140)	2,828	(10,658)
Profit for the period, net of tax	11,654	14,875	4,281	28,520
Other comprehensive income :				
Available for sale investments' fair value movement	(3)	-	(23)	(1)
Foreign currency translation	(1,441)	(420)	(3,612)	(1,845)
Revaluation of land, buildings, plant & machinery plantation development expenditure	-	-	-	(247)
Net loss on remeasurement of defined benefit liability	-	13	-	(16)
Deferred tax related to:				
Other comprehensive income for the period, net of tax	(1,444)	(407)	(3,635)	(2,109)
Total comprehensive income for the period	10,210	14,468	646	26,411



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2015**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-15 RM'000	Preceding Quarter Ended 30-Jun-14 RM'000	Current Quarter To date 30-Jun-15 RM'000	Preceding Quarter To date 30-Jun-14 RM'000
Profit attributable to:				
Owners of the parent	12,112	15,336	5,470	29,208
Non-controlling interests	(458)	(461)	(1,189)	(688)
	11,654	14,875	4,281	28,520
Total comprehensive income attributable to:				
Owners of the parent	10,668	14,929	1,835	27,099
Non-controlling interests	(458)	(461)	(1,189)	(688)
	10,210	14,468	646	26,411
Earnings per share (sen):				
Basic (Note 27)	0.82	1.04	0.37	1.97

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Unaudited As at 30-Jun-15 RM'000	Audited As at 31-Dec-14 RM'000
Assets		
Non-current assets		
Property, plant & equipment	967,414	914,398
Biological assets	682,748	638,877
Investment property	11,000	11,000
Goodwill	9,959	9,959
Other investments	305,209	286,074
Investment securities	65	88
Deferred tax assets	16,460	12,747
Interest receivable	38,911	24,877
	2,031,766	1,898,020
Current assets		
Inventories	41,581	48,335
Trade and other receivables	88,675	67,755
Prepayments	1,087	2,360
Tax recoverable	3,339	1,610
Cash and bank balances	129,346	79,512
	264,028	199,572
Total assets	2,295,794	2,097,592
Current liabilities		
Borrowings	6,788	7,741
Trade and other payables	149,052	146,137
Tax payable	4,884	10,010
	160,724	163,888
Net current assets	103,304	35,684
Non-current liabilities		
Retirement benefit obligations	3,547	3,378
Borrowings	656,710	449,059
Interest payable	46,504	29,404
Deferred tax liabilities	110,534	112,509
	817,295	594,350
Total liabilities	978,019	758,238
Net assets	1,317,775	1,339,354



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Unaudited As at 30-Jun-15 RM'000	Audited As at 31-Dec-14 RM'000
Equity attributable to owners of the parent		
Share capital	296,332	296,332
Share premium	33,064	33,064
Retained earnings	440,706	457,461
Other reserves	544,505	548,140
	<u>1,314,607</u>	<u>1,334,997</u>
Non-controlling interests	3,168	4,357
Total equity	<u>1,317,775</u>	<u>1,339,354</u>
Total equity and liabilities	<u>2,295,794</u>	<u>2,097,592</u>
Net assets per share (RM)	0.89	0.90

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

TDM BERHAD (Company No 6265-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Attributable to owners of the parent												Non-controlling interests RM'000
	Equity attributable to owners of the parent Total equity RM'000		Non-distributable		Distributable		Non-distributable						
			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	Transaction with non-controlling interest RM'000		
Opening balance at 1 January 2015	1,339,354	1,334,997	296,332	33,064	457,461	548,140	569,231	(21,052)	-	(8)	(31)	4,357	
Profit for the period	4,281	5,470	-	-	5,470	-	-	-	-	-	-	(1,189)	
Other comprehensive income													
Net gain on fair value changes in available for sale investments' fair value movement	(23)	(23)	-	-	-	(23)	-	-	-	(23)	-	-	
Foreign currency translation	(3,612)	(3,612)	-	-	-	(3,612)	-	(3,612)	-	-	-	-	
Other comprehensive income for the period, net of tax	(3,635)	(3,635)	-	-	-	(3,635)	-	(3,612)	-	(23)	-	-	
Total comprehensive income for the period	646	1,835	-	-	5,470	(3,635)	-	(3,612)	-	(23)	-	(1,189)	
Transactions with owners													
Dividends paid on ordinary shares	(22,225)	(22,225)	-	-	(22,225)	-	-	-	-	-	-	-	
Total transactions with owners	(22,225)	(22,225)	-	-	(22,225)	-	-	-	-	-	-	-	
Closing balance at 30 June 2015	1,317,775	1,314,607	296,332	33,064	440,706	544,505	569,231	(24,664)	-	(31)	(31)	3,168	
Opening balance at 1 January 2014	1,252,913	1,246,141	296,332	33,064	415,638	501,107	516,970	(15,821)	-	(11)	(31)	6,772	
Profit for the period	28,520	29,208	-	-	29,208	-	-	-	-	-	-	(688)	
Other comprehensive income													
Net gain on fair value changes in available for sale investments' fair value movement	(1)	(1)	-	-	-	(1)	-	-	-	(1)	-	-	
Foreign currency translation	(1,845)	(1,845)	-	-	-	(1,845)	-	(1,845)	-	-	-	-	
Net surplus on revaluation of land, buildings, plant & machinery and plantation development expenditure	(247)	(247)	-	-	-	(247)	(247)	-	-	-	-	-	
Net loss on remeasurement of defined benefit liability	(16)	(16)	-	-	(16)	-	-	-	-	-	-	-	
Other comprehensive income for the period, net of tax	(2,109)	(2,109)	-	-	(16)	(2,093)	(247)	(1,845)	-	(1)	-	-	
Total comprehensive income for the period	26,411	27,099	-	-	29,192	(2,093)	(247)	(1,845)	-	(1)	-	(688)	
Closing balance at 30 June 2014	1,279,324	1,273,240	296,332	33,064	444,830	499,014	516,723	(17,666)	-	(12)	(31)	6,084	

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Period Ended	
	30-Jun-15 RM'000	30-Jun-14 RM'000
Cash flows from operating activities		
Profit before tax	1,453	39,178
Adjustments for:		
Interest expense	2,639	70
Depreciation of property, plant and equipment	22,885	16,688
Property, plant and equipment written off	48	70
Biological asset written off	44	-
Impairment loss on trade and other receivables	612	762
Inventories written off	2	-
Dividend income	(2)	(4)
Gain on disposal of property, plant and equipment	-	(27)
Interest income	(14,618)	(9,840)
Gain on fair value changes of embedded derivative	(657)	-
Provision for short term accumulating compensated absences	56	21
Provision for retirement benefit obligations	169	158
Total adjustments	11,178	7,898
Operating cash flows before changes in working capital	12,631	47,076
<u>Changes in working capital</u>		
Decrease in inventories	6,661	272
(Increase) in receivables	(22,684)	(7,119)
Increase in payables	27,258	9,583
Total changes in working capital	11,235	2,736
Cash flows from operations	23,866	49,812
Interest paid	(2,639)	(70)
Interest received	583	771
Taxes paid	(10,609)	(6,191)
Net cash flows generated from operating activities	11,201	44,322



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Period Ended	
	30-Jun-15 RM'000	30-Jun-14 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(77,160)	(61,434)
Addition of plantation development expenditure	(27,363)	(9,590)
Dividend received	2	4
Addition of deposits with licensed banks	(73,555)	(62,999)
Proceeds from disposal of property plant and equipment	-	27
Investment in fixed income securities	(19,218)	-
Net cash flows used in investing activities	<u>(197,294)</u>	<u>(133,992)</u>
Cash flows from financing activities		
Drawdown of term loan	188,233	18,789
Drawdown of hire purchase facilities	602	6,152
Repayments of term loans	(323)	(127)
Repayments of hire purchase facilities	(303)	(324)
Dividend paid	(22,225)	-
Net cash flows from financing activities	<u>165,984</u>	<u>24,490</u>
Net decrease in cash and cash equivalents	(20,109)	(65,180)
Cash and cash equivalents at 1 January	79,512	91,067
Effect of foreign exchange rate changes	(3,612)	(1,845)
Cash and cash equivalents at end of the period	<u>55,791</u>	<u>24,042</u>
Cash and cash equivalents at end of the year comprise of the following:		
Cash and banks balances	129,346	87,041
Less: Deposits pledged for bank facilities	(33,428)	(3,296)
Less: Deposits with licensed banks with maturity period more than 3 months	(40,127)	(59,703)
Cash and cash equivalents	<u>55,791</u>	<u>24,042</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)



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

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 2014. 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 2014.

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 2014 except as follows:

Effective for annual periods beginning on or after 1 January 2014:

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12, and FRS 127: Investment Entities
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

Effective for annual periods beginning on or after 1 July 2014:

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

Annual Improvements to FRSs 2010-2012 Cycle:

Amendment to FRS 2 Share-based Payment
Amendment to FRS 3 Business Combinations
Amendment to FRS 8 Operating Segments
Amendment to FRS 13 Fair Value Measurement
Amendment to FRS 116 Property, Plant and Equipment
Amendment to FRS 124 Related Party Disclosures
Amendment to FRS 138 Intangible Assets

Annual Improvements to FRSs 2011-2013 Cycle:

Amendment to FRS 1 First-time Adoption of Financial Reporting Standards
Amendment to FRS 3 Business Combinations
Amendment to FRS 13 Fair Value Measurement
Amendment to FRS 140 Investment Property

Explanatory Notes Pursuant to FRS 134

2. Significant accounting policies (cont'd.)

Effective for annual periods beginning on or after 1 January 2016:

Amendments to FRS 10: Consolidated Financial Statements

Sales or Contribution of Assets between an Investor and its Associate or Joint Venture
(Amendments to FRS 10 and FRS 128)

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

FRS 14: Regulatory Deferral Accounts

Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation
and Amortisation

Amendments to FRS 127: Equity Method in Separate Financial Statements

Amendments to FRS 101: Disclosure Initiatives

Annual Improvements to FRSs 2012-2014 Cycle:

Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendment to FRS 7 Financial Instruments: Disclosures

Amendment to FRS 119 Employee Benefits

Effective for annual periods beginning on or after 1 January 2018:

MFRS 9 Financial Instruments

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period under review.

Malaysian Financial Reporting Standards (MFRS Framework)

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 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

3. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2014 were reported without any qualification.

Explanatory Notes Pursuant to FRS 134

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 2015.

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.

8. Dividends paid

On 1 April 2014, TDM has announced a proposed first and final dividend of 1.5 sen per ordinary share, tax exempt under the single-tier system in respect of the financial year ended 31 December 2014, and was approved by the shareholders of the Company at the 50th Annual General Meeting held on 7 May 2015. The dividends has been paid to shareholders on 2 June 2015.

9. Segmental reporting

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
3 months ended 30 June 2015				
Revenue				
Total revenue	67,774	44,512	-	112,286
Intersegment-revenue	(15,988)	(2,111)	-	(18,099)
External revenue	<u>51,786</u>	<u>42,401</u>	-	<u>94,187</u>
Depreciation	7,993	3,459	-	11,452
Segment result (external)	4,610	5,077	-	<u>9,687</u>
Profit before taxation				<u>9,687</u>
3 months ended 30 June 2014				
Revenue				
Total revenue	92,358	33,821	-	126,179
Intersegment-revenue	(23,702)	(1,721)	-	(25,423)
External revenue	<u>68,656</u>	<u>32,100</u>	-	<u>100,756</u>
Depreciation	6,566	1,788	2	8,356
Segment result (external)	16,860	3,154	1	<u>20,015</u>
Profit before taxation				<u>20,015</u>

Explanatory Notes Pursuant to FRS 134

9. Segmental reporting (cont'd.)

	PLANTATION RM'000	HEALTHCARE RM'000	OTHERS RM'000	GROUP RM'000
6 months ended				
30 June 2015				
Revenue				
Total revenue	109,825	86,990	-	196,815
Intersegment-revenue	(22,556)	(4,561)	-	(27,117)
External revenue	<u>87,269</u>	<u>82,429</u>	-	<u>169,698</u>
Depreciation	16,063	6,822	-	22,885
Segment result (external)	(8,687)	10,140	-	<u>1,453</u>
Profit before taxation				<u>1,453</u>
6 months ended				
30 June 2014				
Revenue				
Total revenue	157,380	68,289	-	225,669
Intersegment-revenue	(33,938)	(3,563)	-	(37,501)
External revenue	<u>123,442</u>	<u>64,726</u>	-	<u>188,168</u>
Depreciation	12,983	3,703	2	16,688
Segment result (external)	31,719	7,455	4	<u>39,178</u>
Profit before taxation				<u>39,178</u>
Total assets				
30 June 2015	<u>2,035,469</u>	<u>257,830</u>	<u>2,495</u>	<u>2,295,794</u>
31 December 2014	<u>1,844,631</u>	<u>250,463</u>	<u>2,498</u>	<u>2,097,592</u>
Total liabilities				
30 June 2015	<u>846,650</u>	<u>129,922</u>	<u>1,447</u>	<u>978,019</u>
31 December 2014	<u>629,930</u>	<u>126,863</u>	<u>1,445</u>	<u>758,238</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 2014.

11. Material subsequent event

There were no material subsequent event of the Group for the financial period under review.

12. Changes in the composition of the Group

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

Explanatory Notes Pursuant to FRS 134

13. 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.

14. Capital commitments

Capital commitments as at 30 June 2015 are as follows:

	RM '000
Authorised by the Directors and contracted	27,788
Authorised by the Directors but not contracted	220,186
	<hr/>
	247,974
	<hr/>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT

15. 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 2015 versus Q2 2014

	Q2 2015	Q2 2014	Variance
	RM'000	RM'000	
Revenue			
Plantation	51,786	68,656	-25%
Healthcare	42,401	32,100	32%
Total	94,187	100,756	-7%
Profit Before Tax ("PBT")			
Plantation	4,610	16,860	-73%
Healthcare	5,077	3,154	61%
Total	9,687	20,014	-52%

Group revenue of RM94.2 million for the current quarter ended 30 June 2015 was 7% lower than that reported in the previous corresponding quarter. The Group recorded profit before tax of RM9.7 million in the current quarter, compared to RM20.0 million in the previous corresponding quarter.

Plantation Division

During the quarter, the Plantation Division registered lower revenue and PBT by 25% and 73% respectively compared to the same period last year mainly due to:

- a) Lower CPO and PK prices by 19% and 17% respectively;

Average Price	Q2 2015	Q2 2014	Variance
	RM/mt	RM/mt	
CPO	2,218	2,723	-19%
PK	1,609	1,949	-17%

During the quarter, we have sold 10,112 mt of CSPO at premium of RM109/mt and RM69/mt for segregated and mass balance respectively.

- b) Slightly lower CPO production by 2% and partly offset with higher PK production by 6%;

Production	Q2 2015	Q2 2014	Variance
	mt	mt	%
CPO	21,789	22,227	-2%
PK	5,369	5,076	6%

- c) Higher start-up losses at Indonesian operation by RM1.0 million.

Healthcare Division

During the quarter, the Healthcare Division registered higher revenue and PBT by 32% and 61% respectively compared to the previous corresponding quarter mainly due to:

- a) 27% growth in inpatient admissions; and
b) Higher number of inpatient days by 27% from improved hospital case-mix of patient.

15. 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.

Cumulative quarter - 1H 2015 versus 1H 2014

	1H 2015	1H 2014	Variance
	RM'000	RM'000	
Revenue			
Plantation	87,269	123,442	-29%
Healthcare	82,429	64,726	27%
Total	169,698	188,168	-10%
(Loss)/Profit Before Tax			
Plantation	(8,687)	31,719	-127%
Healthcare	10,140	7,455	36%
Total	1,453	39,174	-96%

Group revenue of RM169.7 million for the period ended 30 June 2015 was 10% lower than reported in the preceding corresponding period. The Group recorded profit before tax of RM1.5 million in the current period, compared to RM39.2 million in the previous corresponding period.

Plantation Division

During the 1H 2015, the Plantation Division recorded lower revenue of RM87.3 million, compared to RM123.4 million in the same period last year. The division recorded losses of RM8.7 million in the 1H 2015, compared to profit before tax of RM31.7 million in the previous corresponding period.

The above was mainly due to:

- a) Lower CPO and PK prices by 17% respectively;

Average Price	1H 2015	1H 2014	Variance
	RM/mt	RM/mt	%
CPO	2,241	2,692	-17%
PK	1,609	1,932	-17%

During the first half, we have sold 17,954 mt of CSPO at premium of RM108/mt and RM70/mt for segregated and mass balance respectively.

- b) Lower CPO and PK productions by 9% and 4% respectively;

Production	1H 2015	1H 2014	Variance
	mt	mt	%
CPO	35,631	39,231	-9%
PK	9,248	9,640	-4%

- c) Higher start up losses at Indonesia operation by RM5.5 million; and
d) Higher replanting/immature cost at Malaysia operation by RM1.5 million;
However, this is partly offset with higher interest income by RM4.8 million.

Healthcare Division

During the 1H 2015, the Healthcare Division registered higher revenue and PBT by 27% and 36% respectively, compared to the same period last year. The improve performance mainly due to:

- a) 26% growth in inpatient admissions; and
b) Higher number of inpatient days by 26% from improved hospital case-mix of patient.

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

16. 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 2015 versus Q1 2015

The current quarter under review recorded higher profit before taxation of RM9.7 million, compared to loss before tax of RM8.2 million in the preceding quarter. This is mainly contributed from:

- a) Higher CPO and PK production by 57% and 38% respectively;

Production	Q2 2015	Q1 2015	Variance
	mt	mt	%
CPO	21,789	13,842	57%
PK	5,369	3,880	38%

- b) Higher revenue from Healthcare Division by 18% mainly from the new Kuantan Medical Centre;

17. 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

The group remains positive on the long term fundamentals of the industry. Despite of lower palm oil prices, the group expects FY 2015 performance to remain satisfactory.

18a. 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.

18b. Explanatory note for any shortfall in the profit guarantee

There was no profit guarantee issued for the quarter ended 30 June 2015.

19. Profit for the period

	Current period to date	
	30-Jun-15 RM'000	30-Jun-14 RM'000
The following amounts have been included in arriving at profit before tax:		
Interest expense	2,639	70
Interest income	(14,618)	(9,840)
Dividend income	(2)	(4)
Depreciation of property, plant and equipment	22,885	16,688
Gain on disposal of property, plant and equipment	-	(27)
Property, plant and equipment written off	48	70
Biological asset written off	44	-
Impairment loss on trade and other receivables	612	762
Inventories written off	2	-
Gain on fair value changes of embedded derivative	(657)	-
	(657)	-

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

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

	Current Quarter		Current period To date	
	30-Jun-15 RM'000	30-Jun-14 RM'000	30-Jun-15 RM'000	30-Jun-14 RM'000
Current income tax	1,709	4,799	3,114	11,079
Under/(Over) provision of income tax in prior year	2	(934)	(201)	(934)
	1,711	3,865	2,913	10,145
Deferred tax				
Relating to origination and reversal of temporary differences	(3,633)	156	(5,411)	(227)
Relating to changes in Malaysia tax rates	(44)	2	10	131
(Over)/Under provision of deferred tax	(1)	1,117	(340)	609
	(1,967)	5,140	(2,828)	10,658

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period.

The effective tax rate of the Group for the current and quarter to date were lower than the statutory tax rate of the respective year principally due to recognition of deferred tax asset during the period. The effective tax rate for the preceding quarter to date were higher than the statutory tax rate of the respective year principally due to certain expenses which were not deductible for tax purposes.

21. 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.

22. Corporate proposals

- a) On 8 April 2015, TDM had announced that TDM Properties Sdn. Bhd. (in liquidation) which was placed under members' voluntary winding-up on 3 October 2012, had held their final meeting on 3 April 2015, to conclude that the said members' voluntary winding-up had
- b) On 9 June 2015, TDM had announced that Trengganu Rubber Processing Sdn. Bhd. (in liquidation) which was placed under members' voluntary winding-up on 3 October 2012, had held their final meeting on 5 June 2015, to conclude that the said members' voluntary winding-up had been completed.

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

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

Details of the Group's borrowings as at 30 June 2015 are as follows :

	Current RM'000	Non-Current RM'000	Total RM'000
<u>Secured</u>			
- Bank loans	122	363,363	363,485
- Obligation under the finance leases	6,666	-	6,666
	<u>6,788</u>	<u>363,363</u>	<u>370,151</u>
<u>Unsecured</u>			
- IDR Notes	-	293,347	293,347
	<u>-</u>	<u>293,347</u>	<u>293,347</u>
Total	<u>6,788</u>	<u>656,710</u>	<u>663,498</u>

24. 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 quarter ended 30 June 2015.

25. 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 2014.

26. Dividend proposed

On 1 April 2014, TDM has announced a proposed a first and final dividend of 1.5 sen per ordinary share, tax exempt under the single-tier system in respect of the financial year ended 31 December 2014, and was approved by the shareholders of the Company at the 50th Annual General Meeting held on 7 May 2015.

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

27. 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.

	Current Quarter Ended 30.06.2015	Preceding Quarter Ended 30.06.2014	Current Quarter To date 30.06.2015	Preceding Quarter To date 30.06.2014
Basic				
Profit for the period attributable to owners of the parent (RM'000)	12,112	15,336	5,470	29,208
Weighted average number of ordinary shares in issue ('000)	1,481,662	1,481,662	1,481,662	1,481,662
Basic earnings per ordinary share attributable to owners of the parent (sen)	0.82	1.04	0.37	1.97

28. Realised and unrealised profits

	As at 30-Jun-15 RM'000	As at 31-Dec-14 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	245,405	305,190
- Unrealised profits	113,093	89,981
	<u>358,499</u>	<u>395,171</u>
Less: Consolidation adjustments	82,208	62,290
Total Group retained profits as per consolidated accounts	<u>440,706</u>	<u>457,461</u>

29. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 August 2015.

BY ORDER OF THE BOARD

WAN HASLINDA WAN YUSOFF
Company Secretary

Kuala Lumpur
26 August 2015