



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2015**



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

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-15 RM'000	Preceding Quarter Ended 30-Sep-14 RM'000	Current Quarter To date 30-Sep-15 RM'000	Preceding Quarter To date 30-Sep-14 RM'000
Revenue	98,573	98,305	268,272	286,472
Cost of sales	(59,765)	(56,422)	(176,199)	(161,403)
Gross profit	38,808	41,883	92,073	125,069
Other items of income				
Interest income	8,040	4,861	22,658	14,701
Other income	2,042	2,539	5,838	4,666
Other items of expense				
Distribution costs	(2,389)	(2,094)	(6,094)	(4,832)
Administrative expenses	(28,129)	(30,593)	(80,107)	(72,959)
Other expenses	(4,105)	(3,462)	(16,009)	(14,263)
Finance costs	(3,016)	(64)	(5,655)	(134)
Profit before tax	11,251	13,070	12,704	52,248
Income tax expenses	342	(6,416)	3,170	(17,075)
Profit for the period, net of tax	11,593	6,654	15,874	35,173
Other comprehensive income :				
Available for sale investments' fair value movement	(10)	-	(33)	(3)
Foreign currency translation	(1,939)	(764)	(5,551)	(2,608)
Revaluation of land, buildings, plant & machinery and plantation development expenditure	-	-	-	(247)
Net loss on remeasurement of defined benefit liability	-	(5)	-	(21)
Deferred tax related to:				
Other comprehensive income for the period, net of tax	(1,949)	(769)	(5,584)	(2,879)
Total comprehensive income for the period	9,644	5,885	10,290	32,294



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

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-15 RM'000	Preceding Quarter Ended 30-Sep-14 RM'000	Current Quarter To date 30-Sep-15 RM'000	Preceding Quarter To date 30-Sep-14 RM'000
Profit attributable to:				
Owners of the parent	12,048	7,600	17,518	36,808
Non-controlling interests	(455)	(946)	(1,644)	(1,635)
	11,593	6,654	15,874	35,173
Total comprehensive income attributable to:				
Owners of the parent	10,099	6,831	11,934	33,929
Non-controlling interests	(455)	(946)	(1,644)	(1,635)
	9,644	5,885	10,290	32,294
Earnings per share (sen):				
Basic (Note 27)	0.81	0.51	1.18	2.48

(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 SEPTEMBER 2015**

	Unaudited As at 30-Sep-15 RM'000	Audited As at 31-Dec-14 RM'000
Assets		
Non-current assets		
Property, plant & equipment	991,752	914,398
Biological assets	696,207	638,877
Investment property	11,000	11,000
Goodwill	9,959	9,959
Other investments	298,029	286,074
Investment securities	55	88
Other receivable	46,165	24,877
Deferred tax assets	19,248	12,747
	<u>2,072,415</u>	<u>1,898,020</u>
Current assets		
Inventories	41,918	48,335
Trade and other receivables	86,685	67,755
Prepayments	614	2,360
Tax recoverable	4,282	1,610
Cash and bank balances	122,542	79,512
	<u>256,041</u>	<u>199,572</u>
Total assets	<u>2,328,456</u>	<u>2,097,592</u>
Current liabilities		
Borrowings	6,377	7,741
Trade and other payables	146,540	146,137
Tax payable	2,264	10,010
	<u>155,181</u>	<u>163,888</u>
Net current assets	<u>100,860</u>	<u>35,684</u>
Non-current liabilities		
Retirement benefit obligations	3,625	3,378
Borrowings	673,272	449,059
Other payable	59,379	29,404
Deferred tax liabilities	109,580	112,509
	<u>845,856</u>	<u>594,350</u>
Total liabilities	<u>1,001,037</u>	<u>758,238</u>
Net assets	<u>1,327,419</u>	<u>1,339,354</u>



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

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

	Unaudited As at 30-Sep-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	452,754	457,461
Other reserves	542,556	548,140
	<u>1,324,706</u>	<u>1,334,997</u>
Non-controlling interests	2,713	4,357
Total equity	<u>1,327,419</u>	<u>1,339,354</u>
Total equity and liabilities	<u>2,328,456</u>	<u>2,097,592</u>
Net assets per share (RM)	0.90	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)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	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	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	15,874	17,518	-	-	17,518	-	-	-	-	-	-	(1,644)
Other comprehensive income												
Net gain on fair value changes in available for sale investments' fair value movement	(33)	(33)	-	-	-	(33)	-	-	-	(33)	-	-
Foreign currency translation	(5,551)	(5,551)	-	-	-	(5,551)	-	(5,551)	-	-	-	-
Other comprehensive income for the period, net of tax	(5,584)	(5,584)	-	-	-	(5,584)	-	(5,551)	-	(33)	-	-
Total comprehensive income for the period	10,290	11,934	-	-	17,518	(5,584)	-	(5,551)	-	(33)	-	(1,644)
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 September 2015	1,327,419	1,324,706	296,332	33,064	452,754	542,556	569,231	(26,603)	-	(41)	(31)	2,713
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	35,173	36,808	-	-	36,808	-	-	-	-	-	-	(1,635)
Other comprehensive income												
Net gain on fair value changes in available for sale investments' fair value movement	(3)	(3)	-	-	-	(3)	-	-	-	(3)	-	-
Foreign currency translation	(2,608)	(2,608)	-	-	-	(2,608)	-	(2,608)	-	-	-	-
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	(21)	(21)	-	-	(21)	-	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	(2,879)	(2,879)	-	-	(21)	(2,858)	(247)	(2,608)	-	(3)	-	-
Total comprehensive income for the period	32,294	33,929	-	-	36,787	(2,858)	(247)	(2,608)	-	(3)	-	(1,635)
Transactions with owners												
Dividends paid on ordinary shares	(14,818)	(14,818)	-	-	(14,818)	-	-	-	-	-	-	-
Total transactions with owners	(14,818)	(14,818)	-	-	(14,818)	-	-	-	-	-	-	-
Closing balance at 30 September 2014	1,270,389	1,265,252	296,332	33,064	437,607	498,249	516,723	(18,429)	-	(14)	(31)	5,137

(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 SEPTEMBER 2015**

	Period Ended	
	30-Sep-15 RM'000	30-Sep-14 RM'000
Cash flows from operating activities		
Profit before tax	12,704	52,248
Adjustments for:		
Interest expense	5,655	134
Depreciation of property, plant and equipment	32,023	25,177
Property, plant and equipment written off	54	163
Biological asset written off	44	3,628
Impairment loss on trade and other receivables	804	1,034
Inventories written off	2	-
Dividend income	-	(4)
Payables written back	(114)	-
Gain on disposal of property, plant and equipment	-	(38)
Interest income	(22,658)	(14,701)
Gain on fair value changes of embedded derivative	(1,387)	(1,080)
Provision for short term accumulating compensated absences	178	11
Provision for retirement benefit obligations	253	237
Total adjustments	<u>14,854</u>	<u>14,561</u>
Operating cash flows before changes in working capital	<u>27,558</u>	<u>66,809</u>
<u>Changes in working capital</u>		
Decrease in inventories	6,416	134
Increase in receivables	(53,864)	(71,092)
Increase in payables	28,804	31,006
Total changes in working capital	<u>(18,644)</u>	<u>(39,952)</u>
Cash flows from operations	8,914	26,857
Interest paid	(5,655)	(134)
Interest received	1,295	1,022
Taxes paid	(17,759)	(11,157)
Retirement benefits paid	(6)	(14)
Net cash flows (used in)/generated from operating activities	<u>(13,211)</u>	<u>16,574</u>



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

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

	Period Ended	
	30-Sep-15	30-Sep-14
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(110,668)	(94,666)
Addition of plantation development expenditure	(31,532)	(19,083)
Dividend received	-	4
Proceeds from disposal of property plant and equipment	-	38
Addition of deposit with licensed banks	(54,054)	(26,833)
Investment in fixed income securities	(19,218)	-
Net cash flows used in investing activities	<u>(215,472)</u>	<u>(140,540)</u>
Cash flows from financing activities		
Drawdown of term loan	210,091	78,724
Drawdown of hire purchase facilities	-	7,938
Repayments of term loans	(5,620)	(141)
Repayments of hire purchase facilities	(710)	(166)
Dividend paid	(22,225)	(14,818)
Net cash flows from financing activities	<u>181,536</u>	<u>71,537</u>
Net decrease in cash and cash equivalents	(47,147)	(52,429)
Cash and cash equivalents at 1 January	79,512	91,067
Effect of foreign exchange rate changes	(5,551)	(2,608)
Cash and cash equivalents at end of the period	<u>26,814</u>	<u>36,030</u>

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

Cash and banks balances	122,542	110,349
Less: Deposits pledged for bank facilities	(32,545)	(3,926)
Less: Deposits with licensed banks with maturity period more than 3 months	(63,183)	(70,393)
Cash and cash equivalents	<u>26,814</u>	<u>36,030</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 September 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

There were no dividend paid for the Group during quarter under review.

9. Segmental reporting

	PLANTATION RM'000	HEALTHCARE RM'000	OTHERS RM'000	GROUP RM'000
3 months ended 30 September 2015				
Revenue				
Total revenue	71,483	41,244	-	112,727
Intersegment-revenue	(12,122)	(2,032)	-	(14,154)
External revenue	<u>59,361</u>	<u>39,212</u>	-	<u>98,573</u>
Depreciation	5,670	3,468	-	9,138
Segment result (external)	8,973	2,277	1	<u>11,251</u>
Profit before taxation				<u>11,251</u>
3 months ended 30 September 2014				
Revenue				
Total revenue	118,551	33,509	-	152,060
Intersegment-revenue	(51,872)	(1,883)	-	(53,755)
External revenue	<u>66,679</u>	<u>31,626</u>	-	<u>98,305</u>
Depreciation	6,450	2,038	1	8,489
Segment result (external)	10,552	2,515	3	<u>13,070</u>
Profit before taxation				<u>13,070</u>

Explanatory Notes Pursuant to FRS 134

9. Segmental reporting (cont'd.)

	PLANTATION RM'000	HEALTHCARE RM'000	OTHERS RM'000	GROUP RM'000
9 months ended 30 September 2015				
Revenue				
Total revenue	181,309	128,234	-	309,543
Intersegment-revenue	(34,678)	(6,593)	-	(41,271)
External revenue	<u>146,631</u>	<u>121,641</u>	-	<u>268,272</u>
Depreciation	21,733	10,290	-	32,023
Segment result (external)	286	12,417	1	<u>12,704</u>
Profit before taxation				<u>12,704</u>
9 months ended 30 September 2014				
Revenue				
Total revenue	275,930	101,798	-	377,728
Intersegment-revenue	(85,810)	(5,446)	-	(91,256)
External revenue	<u>190,120</u>	<u>96,352</u>	-	<u>286,472</u>
Depreciation	19,432	5,741	4	25,177
Segment result (external)	42,271	9,969	8	<u>52,248</u>
Profit before taxation				<u>52,248</u>
Total assets				
30 September 2015	<u>2,070,413</u>	<u>255,546</u>	<u>2,497</u>	<u>2,328,456</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 September 2015	<u>879,112</u>	<u>120,477</u>	<u>1,448</u>	<u>1,001,037</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 September 2015 are as follows:

	RM '000
Authorised by the Directors and contracted	26,740
Authorised by the Directors but not contracted	141,502
	<hr/>
	168,242
	<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 - Q3 2015 versus Q3 2014

	Q3 2015	Q3 2014	Variance
	RM'000	RM'000	
Revenue			
Plantation	59,361	66,679	-11%
Healthcare	39,212	31,626	24%
Total	98,573	98,305	0%
Profit Before Tax ("PBT")			
Plantation	8,973	10,552	-15%
Healthcare	2,277	2,515	-9%
Total	11,250	13,067	-14%

The Group recorded RM98.6 million in revenue for the current quarter ended 30 September 2015, roughly flat compared to the previous corresponding quarter, and PBT of RM11.3 million, down 14% from the corresponding quarter last year.

Plantation Division

During the quarter, the Plantation Division registered lower revenue and PBT by 11% and 15% respectively compared to the same period last year mainly due to:

- a) Lower CPO and PK prices by 6% and 15% respectively;

Average Price	Q3 2015	Q3 2014	Variance
	RM/mt	RM/mt	
CPO	2,102	2,236	-6%
PK	1,417	1,662	-15%

During the quarter, we have sold 6,234 mt of CSPO at premium of RM119/mt and RM71/mt for segregated and mass balance respectively.

- b) Lower CPO and PK productions by 8% and 9% respectively;

Production	Q3 2015	Q3 2014	Variance
	mt	mt	%
CPO	25,874	28,209	-8%
PK	6,301	6,907	-9%

- c) Higher finance cost by RM2.9 million;

- d) Higher replanting/immature cost at Malaysia operation by RM0.8 million;

However, this is partly offset with higher interest income by RM4.2 million and lower start up losses at Indonesian operation by RM6.1 million.

Healthcare Division

During the quarter, the Healthcare Division registered higher revenue by 24% compared to the same quarter last year mainly due to:

- a) 18% growth in inpatient admissions; and

- b) Higher number of inpatient days by 16% from improved hospital case-mix of patient.

However, PBT for the Healthcare Division's decreased by 9% compared to the same quarter last year due to higher operating cost for the improvement of services and facility for a better quality of services to the customers.

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 - 9M 2015 versus 9M 2014

	9M 2015	9M 2014	Variance
	RM'000	RM'000	
Revenue			
Plantation	146,631	190,120	-23%
Healthcare	121,641	96,352	26%
Total	268,272	286,472	-6%
Profit Before Tax ("PBT")			
Plantation	286	42,271	-99%
Healthcare	12,417	9,969	25%
Total	12,703	52,240	-76%

Group revenue of RM268.3 million for the period ended 30 September 2015 was 6% lower than reported in the preceding corresponding period. The Group recorded PBT of RM12.7 million in the current period, compared to RM52.2 million in the previous corresponding period.

Plantation Division

During the period, the Plantation Division recorded lower revenue of RM146.6 million, compared to RM190.1 million in the same period last year. The division recorded PBT of RM0.3 million for the period ended 30 September 2015, compared to RM42.3 million in the previous corresponding period.

The above was mainly due to:

- a) Lower CPO and PK prices by 13% and 16% respectively;

Average Price	9M 2015	9M 2014	Variance
	RM/mt	RM/mt	%
CPO	2,182	2,509	-13%
PK	1,530	1,820	-16%

During the period, we have sold 24,187 mt of CSPO at premium of RM111/mt and RM71/mt for segregated and mass balance respectively.

- b) Lower CPO and PK productions by 9% and 6% respectively;

Production	9M 2015	9M 2014	Variance
	mt	mt	%
CPO	61,505	67,440	-9%
PK	15,549	16,547	-6%

- c) Higher finance cost by RM5.5 million;

- d) Higher replanting/immature cost at Malaysia operation by RM2.3 million;

However, this is partly offset with higher interest income by RM7.9 million and lower start up losses at Indonesian operation by RM0.6 million.

Healthcare Division

During the period, the Healthcare Division registered higher revenue and PBT by 26% and 25% respectively, compared to the same period last year. The improve performance mainly due to:

- a) 23% growth in inpatient admissions; and
b) Higher number of inpatient days by 23% from improved hospital case-mix of patient.

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 - Q3 2015 versus Q2 2015

The current quarter under review recorded higher revenue and PBT by 5% and 16% respectively compared to the preceding quarter mainly due to higher CPO and PK production by 19% and 17% respectively.

Production	Q3 2015	Q2 2015	Variance
	mt	mt	%
CPO	25,874	21,789	19%
PK	6,301	5,369	17%

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 September 2015.

19. Profit for the period

	Current period to date	
	30-Sep-15 RM'000	30-Sep-14 RM'000
The following amounts have been included in arriving at profit before tax:		
Interest expense	5,655	134
Interest income	(22,658)	(14,701)
Dividend income	-	(4)
Depreciation of property, plant and equipment	32,023	25,177
Gain on disposal of property, plant and equipment	-	(38)
Property, plant and equipment written off	54	163
Biological asset written off	44	3,628
Impairment loss on trade and other receivables	804	1,034
Inventories written off	2	-
Payables written back	(114)	-
Gain on fair value changes of embedded derivative	(1,387)	(1,080)

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-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
Current income tax	3,976	5,875	7,090	16,954
(Over)/Under provision of income tax in prior year	(577)	1,043	(778)	110
	<u>3,399</u>	<u>6,918</u>	<u>6,312</u>	<u>17,064</u>
Deferred tax				
Relating to origination and reversal of temporary differences	(2,644)	(55)	(8,055)	(281)
Relating to changes in Malaysia tax rates	5	4	15	135
(Over)/Under provision of deferred tax	(1,102)	(451)	(1,442)	157
	<u>(342)</u>	<u>6,416</u>	<u>(3,170)</u>	<u>17,075</u>

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 period 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 period 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 6 July 2015, TDM had announced that HMMC (Ampang) Sdn. Bhd. (in liquidation) which was placed under members' voluntary winding-up on 3 October 2012, had held their final meeting on 3 July 2015, to conclude that the said members' voluntary winding-up had been completed.
- b) On 20 August 2015, TDM had announced that the Conditions Precedent of the Conditional Shares Purchase Agreement dated 15 July 2014 ("CSPA) relating to the proposed acquisition of PT. Sawit Rezki Abadi ("PTSRA") has been fully satisfied. TDM had on 20 August 2015 executed the Deed of Sale and Delivery of Shares with Bapak H Rahman marking the completion of the CSPA and PTSRA has become a subsidiary of TDM.

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

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

	Current RM'000	Non-Current RM'000	Total RM'000
<u>Secured</u>			
- Bank loans	122	379,925	380,047
- Obligation under the finance leases	6,255	-	6,255
	<u>6,377</u>	<u>379,925</u>	<u>386,302</u>
<u>Unsecured</u>			
- IDR Notes	-	293,347	293,347
	<u>-</u>	<u>293,347</u>	<u>293,347</u>
Total	<u>6,377</u>	<u>673,272</u>	<u>679,649</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 September 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

There was no dividend proposed for the current quarter ended 30 September 2015.

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 30.09.2015	Preceding Quarter Ended 30.09.2014	Current Quarter To date 30.09.2015	Preceding Quarter To date 30.09.2014
Basic				
Profit for the period attributable to owners of the parent (RM'000)	12,048	7,600	17,518	36,808
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)	<u>0.81</u>	<u>0.51</u>	<u>1.18</u>	<u>2.48</u>

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

28. Realised and unrealised profits

	As at 30-Sep-15 RM'000	As at 31-Dec-14 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	250,246	305,190
- Unrealised profits	<u>116,835</u>	<u>89,981</u>
	367,081	395,171
Less: Consolidation adjustments	<u>85,673</u>	<u>62,290</u>
Total Group retained profits as per consolidated accounts	<u><u>452,754</u></u>	<u><u>457,461</u></u>

29. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 November 2015.

BY ORDER OF THE BOARD

WAN HASLINDA WAN YUSOFF
Company Secretary

Kuala Lumpur
21 November 2015