



# **TDM BERHAD**

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

**INTERIM FINANCIAL STATEMENTS  
30 JUNE 2016**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2016**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-16 RM'000	Preceding Quarter Ended 30-Jun-15 RM'000 Restated	Current Quarter To date 30-Jun-16 RM'000	Preceding Quarter To date 30-Jun-15 RM'000 Restated
Revenue	103,054	94,187	200,576	169,698
Cost of sales	(63,566)	(60,380)	(120,963)	(114,465)
<b>Gross profit</b>	<b>39,488</b>	<b>33,807</b>	<b>79,613</b>	<b>55,233</b>
<b>Other items of income</b>				
Interest income	9,879	7,392	17,878	14,618
Other income	1,363	1,259	2,364	3,139
<b>Other items of expense</b>				
Distribution costs	(1,400)	(1,736)	(2,584)	(3,705)
Administrative expenses	(20,019)	(24,950)	(64,787)	(53,946)
Other expenses	(4,931)	(5,311)	(10,547)	(11,904)
Finance costs	(1,556)	(1,128)	(4,432)	(2,639)
<b>Profit before tax</b>	<b>22,824</b>	<b>9,333</b>	<b>17,505</b>	<b>796</b>
Income tax expenses	(631)	1,967	20	2,828
<b>Profit for the period, net of tax</b>	<b>22,193</b>	<b>11,300</b>	<b>17,525</b>	<b>3,624</b>
<b>Other comprehensive income:</b>				
Available for sale investments' fair value movement	(5)	(3)	(6)	(23)
Foreign currency translation	(156)	(1,441)	(3,163)	(3,612)
<b>Other comprehensive income for the period, net of tax</b>	<b>(161)</b>	<b>(1,444)</b>	<b>(3,169)</b>	<b>(3,635)</b>
<b>Total comprehensive income for the period</b>	<b>22,032</b>	<b>9,856</b>	<b>14,356</b>	<b>(11)</b>



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2016**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-16 RM'000	Preceding Quarter Ended 30-Jun-15 RM'000 Restated	Current Quarter To date 30-Jun-16 RM'000	Preceding Quarter To date 30-Jun-15 RM'000 Restated
<b>Profit attributable to:</b>				
Owners of the parent	22,629	11,758	19,741	4,813
Non-controlling interests	(436)	(458)	(2,216)	(1,189)
	<b>22,193</b>	<b>11,300</b>	<b>17,525</b>	<b>3,624</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	22,468	10,314	16,572	1,178
Non-controlling interests	(436)	(458)	(2,216)	(1,189)
	<b>22,032</b>	<b>9,856</b>	<b>14,356</b>	<b>(11)</b>
Profit per share (sen):				
Basic (Note 27)	1.53	0.79	1.33	0.32

(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)



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	<b>Unaudited As at 30-Jun-16 RM'000</b>	<b>Audited As at 31-Dec-15 RM'000 Restated</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,240,982	1,216,644
Biological assets	675,883	654,953
Investment property	11,000	11,000
Goodwill	9,959	9,959
Other investments	324,950	331,251
Investment securities	51	57
Other receivables	107,936	84,932
Deferred tax assets	25,922	20,917
	<b><u>2,396,683</u></b>	<b><u>2,329,713</u></b>
<b>Current assets</b>		
Inventories	43,211	45,798
Trade and other receivables	38,618	68,711
Prepayments	3,410	3,406
Tax recoverable	8,166	9,182
Cash and bank balances	156,361	126,461
	<b><u>249,766</u></b>	<b><u>253,558</u></b>
<b>Total assets</b>	<b><u>2,646,449</u></b>	<b><u>2,583,271</u></b>
<b>Current liabilities</b>		
Borrowings	22,983	19,314
Trade and other payables	168,478	188,814
Tax payable	5,359	6,385
	<b><u>196,820</u></b>	<b><u>214,513</u></b>
<b>Net current assets</b>	<b><u>52,946</u></b>	<b><u>39,045</u></b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	3,890	3,709
Borrowings	768,157	718,909
Other payable	88,271	70,856
Deferred tax liabilities	157,413	157,742
	<b><u>1,017,731</u></b>	<b><u>951,216</u></b>
<b>Total liabilities</b>	<b><u>1,214,551</u></b>	<b><u>1,165,729</u></b>
<b>Net assets</b>	<b><u>1,431,898</u></b>	<b><u>1,417,542</u></b>



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	<b>Unaudited As at 30-Jun-16 RM'000</b>	<b>Audited As at 31-Dec-15 RM'000 Restated</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	296,332	296,332
Share premium	33,064	33,064
Retained earnings	519,913	500,172
Other reserves	582,451	585,620
	<u>1,431,760</u>	<u>1,415,188</u>
<b>Non-controlling interests</b>	138	2,354
<b>Total equity</b>	<u><b>1,431,898</b></u>	<u><b>1,417,542</b></u>
<b>Total equity and liabilities</b>	<u><b>2,646,449</b></u>	<u><b>2,583,271</b></u>
Net assets per share (RM)	0.97	0.96

(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)

**TDM BERHAD** (Company No 6265-P)  
(Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

	Attributable to owners of the parent										
	Total equity RM'000	Equity attributable to owners of the parent RM'000	Non-distributable		Distributable		Non-distributable				Non-controlling interests 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	Fair value adjustment reserve RM'000	Transaction with non-controlling interest RM'000	
<b>Opening balance at 1 January 2016 (Restated)</b>	1,417,542	1,415,188	296,332	33,064	500,172	585,620	631,936	(46,246)	(39)	(31)	2,354
Profit for the period	17,525	19,741	-	-	19,741	-	-	-	-	-	(2,216)
<b>Other comprehensive income</b>											
Net loss on fair value changes in available for sale investments' fair value movement	(6)	(6)	-	-	-	(6)	-	-	(6)	-	-
Foreign currency translation	(3,163)	(3,163)	-	-	-	(3,163)	-	(3,163)	-	-	-
Other comprehensive income for the period, net of tax	(3,169)	(3,169)	-	-	-	(3,169)	-	(3,163)	(6)	-	-
Total comprehensive income for the period	14,356	16,572	-	-	19,741	(3,169)	-	(3,163)	(6)	-	(2,216)
<b>Closing balance at 30 June 2016</b>	1,431,898	1,431,760	296,332	33,064	519,913	582,451	631,936	(49,409)	(45)	(31)	138
<b>Opening balance at 1 January 2015</b>	1,339,354	1,334,997	296,332	33,064	457,461	548,140	569,231	(21,052)	(8)	(31)	4,357
Prior year adjustments	(5,993)	(5,993)	-	-	(5,993)	-	-	-	-	-	-
Opening balance at 1 January 2015 (restated)	1,333,361	1,329,004	296,332	33,064	451,468	548,140	569,231	(21,052)	(8)	(31)	4,357
Profit for the period	3,624	4,813	-	-	4,813	-	-	-	-	-	(1,189)
<b>Other comprehensive income</b>											
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	(11)	1,178	-	-	4,813	(3,635)	-	(3,612)	(23)	-	(1,189)
<b>Transactions with owners</b>											
Dividends paid on ordinary shares	(22,225)	(22,225)	-	-	(22,225)	-	-	-	-	-	-
Total transactions with owners	(22,225)	(22,225)	-	-	(22,225)	-	-	-	-	-	-
<b>Closing balance at 30 June 2015</b>	1,311,125	1,307,957	296,332	33,064	434,056	544,505	569,231	(24,664)	(31)	(31)	3,168

(The condensed consolidated statement 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)



**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2016**

	<b>Period Ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	17,505	796
Adjustments for:		
Interest expense	4,432	2,639
Depreciation of property, plant and equipment	19,817	22,885
Property, plant and equipment written off	45	48
Biological asset written off	-	44
Impairment loss on trade and other receivables	832	612
Inventories written off	7	2
Dividend income	-	(2)
Unrealised loss on the foreign exchange of investment in fixed income securities	6,300	-
Payables written back	(8)	-
Interest income	(17,878)	(14,618)
(Reversal)/Provision for short term accumulating compensated absences	(80)	56
Provision for retirement benefit obligations	180	169
Total adjustments	<u>13,647</u>	<u>11,835</u>
Operating cash flows before changes in working capital	<u>31,152</u>	<u>12,631</u>
<u>Changes in working capital</u>		
Decrease in inventories	2,587	6,661
Decrease/(Increase) in receivables	7,085	(22,684)
(Decrease)/Increase in payables	(2,921)	27,258
Total changes in working capital	<u>6,751</u>	<u>11,235</u>
Cash flows from operations	37,903	23,866
Interest paid	(4,432)	(2,639)
Interest received	1,070	583
Taxes paid	(6,322)	(10,609)
Net cash flows generated from operating activities	<u>28,219</u>	<u>11,201</u>



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2016**

	<b>Period Ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(33,876)	(77,160)
Addition of plantation development expenditure	(608)	(27,363)
Dividend received	-	2
Addition of deposit with licensed banks	(145,272)	(62,641)
Increase in deposit with licensed banks pledged as securities for certain banking facilities	(2,000)	(30,132)
Investment in fixed income securities	-	(19,218)
Net cash flows used in investing activities	<u>(181,756)</u>	<u>(216,512)</u>
<b>Cash flows from financing activities</b>		
Drawdowns of term loan	70,643	188,233
Drawdowns of hire purchase facilities	135	602
Proceeds from subscription of IDR notes	-	19,218
Repayments of term loans	(10,037)	(323)
Repayments of hire purchase facilities	(1,524)	(303)
Dividend paid	-	(22,225)
Net cash flows from financing activities	<u>59,217</u>	<u>185,202</u>
<b>Net decrease in cash and cash equivalents</b>	(94,320)	(20,109)
<b>Cash and cash equivalents at 1 January</b>	126,461	79,512
Effect of foreign exchange rate changes	(3,163)	(3,612)
<b>Cash and cash equivalents at end of the period</b>	<u>28,978</u>	<u>55,791</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances	156,361	129,346
Less: Deposits pledged for bank facilities	(32,255)	(33,428)
Less: Deposits with licensed banks with maturity period more than 3 months	<u>(95,128)</u>	<u>(40,127)</u>
Cash and cash equivalents	<u>28,978</u>	<u>55,791</u>

(The condensed consolidated statement of cash flows 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)





**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 2015. 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 2015.

**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 2015 except as follows:

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

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

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

FRS 14: Regulatory Deferral Accounts

Amendments to FRS 101: Presentation of Financial Statements: Disclosure Initiatives

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

Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

Amendments to FRS 127: Equity Method in Separate Financial Statements

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:

Amendments to FRS 7: Financial Instruments Disclosures: Mandatory Effective Date of FRS 9 Transition Disclosures

FRS 9: Financial Instruments

FRS 15: Revenue from Contracts with Customers

Amendments to FRS 134: Interim Financial Reporting

Deferred

Amendments to FRS 10 and FRS 128: Investment Entities: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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.

**Explanatory Notes Pursuant to FRS 134**

**2. Significant accounting policies (cont'd.)**

**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 2018.

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 2018. 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 2015 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 2016.

**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 of the Group during the quarter under review.

**Explanatory Notes Pursuant to FRS 134**

**9. Segmental reporting**

	<b>PLANTATION RM'000</b>	<b>HEALTHCARE RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>3 months ended 30 June 2016</b>				
<b>Revenue</b>				
Total revenue	98,182	46,888	-	145,070
Intersegment-revenue	(39,514)	(2,502)	-	(42,016)
External revenue	<u>58,668</u>	<u>44,386</u>	-	<u>103,054</u>
Depreciation	7,435	3,494	-	10,929
Segment result (external)	20,940	1,884	-	<u>22,824</u>
Profit before taxation				<u>22,824</u>

<b>3 months ended 30 June 2015 Restated</b>				
<b>Revenue</b>				
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)	4,256	5,077	-	<u>9,333</u>
Profit before taxation				<u>9,333</u>

	<b>PLANTATION RM'000</b>	<b>HEALTHCARE RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>6 months ended 30 June 2016</b>				
<b>Revenue</b>				
Total revenue	161,712	96,856	-	258,568
Intersegment-revenue	(52,886)	(5,106)	-	(57,992)
External revenue	<u>108,826</u>	<u>91,750</u>	-	<u>200,576</u>
Depreciation	13,363	6,454	-	19,817
Segment result (external)	10,442	7,058	5	<u>17,505</u>
Profit before taxation				<u>17,505</u>

<b>6 months ended 30 June 2015 Restated</b>				
<b>Revenue</b>				
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)	(9,344)	10,140	-	<u>796</u>
Profit before taxation				<u>796</u>

**Explanatory Notes Pursuant to FRS 134**

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

	<b>PLANTATION RM'000</b>	<b>HEALTHCARE RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>Total assets</b>				
30 June 2016	<u>2,372,487</u>	<u>271,450</u>	<u>2,512</u>	<u>2,646,449</u>
31 December 2015	<u>2,297,382</u>	<u>283,379</u>	<u>2,510</u>	<u>2,583,271</u>
<b>Total liabilities</b>				
30 June 2016	<u>1,087,712</u>	<u>125,386</u>	<u>1,453</u>	<u>1,214,551</u>
31 December 2015	<u>1,007,669</u>	<u>156,609</u>	<u>1,451</u>	<u>1,165,729</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 financial year ended 31 December 2015.

**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 the during quarter under review.

**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 2016 are as follows:

	<b>RM '000</b>
Authorised by the Directors and contracted	41,431
Authorised by the Directors but not contracted	<u>68,925</u>
	<u>110,356</u>

**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 2016 versus Q2 2015**

	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	
		<b>Restated</b>	
<b>Revenue</b>			
Plantation	58,668	51,786	13%
Healthcare	44,386	42,401	5%
<b>Total</b>	<b>103,054</b>	<b>94,187</b>	<b>9%</b>
<b>Profit Before Tax ("PBT")</b>			
Plantation	20,940	4,256	392%
Healthcare	1,884	5,077	-63%
<b>Total</b>	<b>22,824</b>	<b>9,333</b>	<b>145%</b>

Group revenue of RM103.1 million for the current quarter ended 30 June 2016 was 9% higher than reported in the preceding corresponding quarter. The Group PBT increased 145% to RM22.8 million in the current quarter, compared to RM9.3 million in the previous corresponding quarter.

Plantation Division

During the quarter, the Plantation Division registered higher revenue and PBT by 13% and 392% respectively compared to the same quarter last year, mainly due to:

- a) Higher CPO and PK prices by 20% and 37% respectively;

<b>Average Price</b>	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Variance</b>
	<b>RM/mt</b>	<b>RM/mt</b>	
CPO	2,654	2,218	20%
PK	2,200	1,609	37%

During the period, we have sold 7,703 mt of segregated CSPO and 150 mt of mass balance CSPO at premiums of RM114/mt and RM78/mt respectively.

- b) Unrealised gain on the foreign exchange of investment in fixed income securities of RM10.5 million;
- c) Lower start up losses at Indonesian operation by RM2.1 million;
- d) Higher interest income by RM2.5 million; and
- e) Higher other income by RM2.2 million.

However, this is partly offset with

- a) Lower CPO and PK productions by 16% and 14% respectively;

<b>Production</b>	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Variance</b>
	<b>mt</b>	<b>mt</b>	<b>%</b>
CPO	18,327	21,789	-16%
PK	4,625	5,369	-14%

- b) Higher both cost of sales and administrative expenses by RM3.6 million.

Healthcare Division

For the quarter under review, the Healthcare division recorded higher revenue by 5% mainly due to 6% growth in number of surgical cases.

However, during the quarter, the division registered lower PBT of RM1.9 million compared to RM5.1 million in the same period last year, due to:

- a) Higher admin costs mainly due to the increased in staff costs from capacity expansion; and
- b) Higher pre operating expenses at the new hospital.

**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 2016 versus 1H 2015**

	<b>1H 2016</b>	<b>1H 2015</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	
		<b>Restated</b>	
<b>Revenue</b>			
Plantation	108,826	87,269	25%
Healthcare	91,750	82,429	11%
<b>Total</b>	<b>200,576</b>	<b>169,698</b>	<b>18%</b>
<b>Profit/(Loss) Before Tax</b>			
Plantation	10,442	(9,344)	212%
Healthcare	7,058	10,140	-30%
<b>Total</b>	<b>17,500</b>	<b>796</b>	<b>2098%</b>

Group revenue of RM200.6 million for the period ended 30 June 2016 was 18% higher than reported in the preceding corresponding period. The Group recorded higher PBT of RM17.5 million in the current period, compared to RM0.8 million in the previous corresponding period. Excluding the unrealised loss on foreign exchange of RM6.3 million on investment in fixed income securities, the core PBT for 1H 2016 was RM23.8 million.

Plantation Division

During the period, the Plantation Division registered higher revenue and PBT by 25% and 212% respectively compared to the previous corresponding period, mainly due to:

- a) Higher CPO and PK prices by 14% and 34% respectively;

<b>Average Price</b>	<b>1H 2016</b>	<b>1H 2015</b>	<b>Variance</b>
	<b>RM/mt</b>	<b>RM/mt</b>	<b>%</b>
CPO	2,548	2,241	14%
PK	2,152	1,609	34%

During the period, we have sold 15,186 mt of segregated CSPO and 299 mt of mass balance CSPO at premiums of RM121/mt and RM80/mt respectively.

- b) Lower start up losses at Indonesian operation by RM5.7 million;  
c) Higher interest income by RM3.3 million; and  
d) Lower replanting/immature cost at Malaysian operation by RM2.2 million.

However, this is partly offset with

- a) Lower CPO and PK productions by 3% and 5% respectively;

<b>Production</b>	<b>1H 2016</b>	<b>1H 2015</b>	<b>Variance</b>
	<b>mt</b>	<b>mt</b>	<b>%</b>
CPO	34,434	35,631	-3%
PK	8,828	9,248	-5%

- b) Unrealised loss on the foreign exchange of investment in fixed income securities amounting to RM6.3 million; and  
c) Higher finance cost by RM1.8 million.

Healthcare Division

During the period, the Healthcare division recorded higher revenue compared to the previous corresponding period by 11% mainly due to higher inpatient admissions by 2% and higher surgical cases by 9%.

However, during the period, the division registered lower PBT of RM7.1 million compared to RM10.1 million in the same period last year, due to:

- a) Higher admin costs mainly due to the increased in staff costs from capacity expansion; and  
b) Higher pre operating expenses at the new hospital.

**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 2016 versus Q1 2016**

The current quarter under review recorded higher revenue and PBT by 5% and 529% respectively compared to the preceding quarter mainly due to:

- a) Higher CPO and PK prices by 9% and 5% respectively;

Average Price	Q2 2016	Q1 2016	Variance
	RM/mt	RM/mt	%
CPO	2,654	2,431	9%
PK	2,200	2,103	5%

- b) Higher CPO and PK productions by 14% and 10% respectively;

Production	Q2 2016	Q1 2016	Variance
	mt	mt	%
CPO	18,327	16,107	14%
PK	4,625	4,203	10%

- c) Higher unrealised gain on the foreign exchange of investment in fixed income securities by RM10.5 million.

However, this is partly offset with lower revenue from Healthcare division by 6%.

**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**

**Plantation**

Palm oil prices have been trending upward due to declining palm oil inventory level and strong palm oil demand from China.

**Healthcare**

The demand for private healthcare in Malaysia is growing and we are in a good position to capture the growth, through our capacity expansion and as well as via introduction of new modalities.

The Group expects FY2016 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 2016.

## 19. Profit for the period

	<b>Current period to date</b>	
	<b>30-Jun-16 RM'000</b>	<b>30-Jun-15 RM'000</b>
<b>The following amounts have been included in arriving at profit before tax:</b>		
Interest expense	4,432	2,639
Interest income	(17,878)	(14,618)
Dividend income	-	(2)
Depreciation of property, plant and equipment	19,817	22,885
Property, plant and equipment written off	45	48
Biological asset written off	-	44
Impairment loss on trade and other receivables	832	612
Inventories written off	7	2
Payables written back	(8)	-
Unrealised loss on the foreign exchange of investment in fixed income securities	6,300	-
	6,300	-

## 20. 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 Quarter</b>		<b>Current period To date</b>	
	<b>30-Jun-16 RM'000</b>	<b>30-Jun-15 RM'000</b>	<b>30-Jun-16 RM'000</b>	<b>30-Jun-15 RM'000</b>
Current income tax	2,776	1,709	5,799	3,114
(Over)/under provision of income tax in prior year	(8)	2	(8)	(201)
	2,768	1,711	5,791	2,913
Deferred tax				
Relating to origination and reversal of temporary differences	(2,038)	(3,633)	(5,369)	(5,411)
Relating to changes in Malaysia tax rates	(10)	(44)	-	10
Overprovision of deferred tax	(89)	(1)	(442)	(340)
	631	(1,967)	(20)	(2,828)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 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.

## 21. Amount of profits on sale of unquoted investments or properties

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

## 22. Corporate proposals

On 28 April 2016, TDM had announced the proposed Dividend Reinvestment Scheme that provides the shareholders of TDM with the option to elect to reinvest their cash dividends in new ordinary shares of RM0.20 each in TDM ("Proposed DRS").

On 30 May 2016, TDM Board had determined that the Dividend Reinvestment Scheme ("DRS") will apply to the entire Final Cash Dividend and Shareholders of TDM Berhad be given an option to reinvest their Final Cash Dividend in the new TDM Shares to be issued pursuant to the 1st DRS (New Shares) at an issue price.

On 21 June 2016, TDM had announced that Bursa Securities had vide its letter dated 20 June 2016, approved the listing of and quotation for the new TDM shares to be issued pursuant to the DRS.



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

Details of the Group's borrowings as at 30 June 2016 are as follows :

	<b>Current RM'000</b>	<b>Non-Current RM'000</b>	<b>Total RM'000</b>
<b><u>Secured</u></b>			
- Bank loans	-	395,610	395,610
- Bank overdraft	16,219	-	16,219
- Obligation under the finance leases	6,764	2,297	9,061
	<u>22,983</u>	<u>397,907</u>	<u>420,890</u>
<b><u>Unsecured</u></b>			
- Bank loans	-	50,000	50,000
- IDR Notes	-	320,250	320,250
	<u>-</u>	<u>370,250</u>	<u>370,250</u>
Total	<u>22,983</u>	<u>768,157</u>	<u>791,140</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 2016.

### 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 2015.

### 26. Dividend proposed

There were no dividend proposed of the Group during the quarter under review.

### 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.

	<b>Current Quarter Ended 30.6.2016</b>	<b>Preceding Quarter Ended 30.6.2015</b>	<b>Current Quarter To date 30.6.2016</b>	<b>Preceding Quarter To date 30.6.2015</b>
<b>Basic</b>				
Profit for the period attributable to owners of the parent (RM'000)	22,629	11,758	19,741	4,813
Weighted average number of ordinary shares in issue ('000)	1,481,662	1,481,662	1,481,662	1,481,662
Basic profit per ordinary share attributable to owners of the parent (sen)	1.53	0.79	1.33	0.32

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

**28. Realised and unrealised profits**

	<b>As at 30-Jun-16 RM'000</b>	<b>As at 31-Dec-15 RM'000</b>
Total retained profits of the Company and subsidiaries		
- Realised profits	370,972	531,262
- Unrealised profits	68,069	73,820
	<u>439,041</u>	<u>605,082</u>
Less: Consolidation adjustments	80,872	(104,910)
Total Group retained profits as per consolidated accounts	<u>519,913</u>	<u>500,172</u>

- 29.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 August 2016.

**BY ORDER OF THE BOARD**

WAN HASLINDA WAN YUSOFF  
Company Secretary

Kuala Lumpur  
29 August 2016