



# **TDM BERHAD**

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

**INTERIM FINANCIAL STATEMENTS  
31 DECEMBER 2016**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31-Dec-16 RM'000	Preceding Quarter Ended 31-Dec-15 RM'000 Restated	Current Quarter To date 31-Dec-16 RM'000	Preceding Quarter To date 31-Dec-15 RM'000 Restated
Revenue	125,345	112,558	428,697	380,830
Cost of sales	(68,208)	(64,198)	(251,702)	(240,397)
<b>Gross profit</b>	<b>57,137</b>	<b>48,360</b>	<b>176,995</b>	<b>140,433</b>
<b>Other items of income</b>				
Interest income	11,232	13,784	37,186	36,442
Other income	16,935	35,107	28,616	40,945
<b>Other items of expense</b>				
Distribution costs	(1,602)	(2,244)	(5,398)	(8,338)
Administrative expenses	(76,012)	(29,664)	(161,338)	(109,771)
Other expenses	(4,408)	(5,764)	(18,642)	(21,773)
Finance costs	(7,444)	(2,933)	(21,413)	(8,588)
<b>(Loss)/Profit before tax</b>	<b>(4,162)</b>	<b>56,646</b>	<b>36,006</b>	<b>69,350</b>
Income tax expenses	(17,713)	(3,094)	(17,527)	76
<b>(Loss)/Profit for the period, net of tax</b>	<b>(21,875)</b>	<b>53,552</b>	<b>18,479</b>	<b>69,426</b>
<b>Other comprehensive income:</b>				
Available for sale investments' fair value movement	5	2	(4)	(31)
Foreign currency translation	11,140	(19,643)	9,806	(25,194)
Revaluation of land, buildings, plant & machinery and plantation development expenditure	50,010	110,798	50,010	110,798
Deferred tax related to:				
Net surplus on revaluation	(16,186)	(48,093)	(16,186)	(48,093)
Transfer of revaluation reserve upon written off the assets	(3,006)	-	(3,006)	-
<b>Other comprehensive income for the period, net of tax</b>	<b>41,963</b>	<b>43,064</b>	<b>40,620</b>	<b>37,480</b>
<b>Total comprehensive income for the period</b>	<b>20,088</b>	<b>96,616</b>	<b>59,099</b>	<b>106,906</b>



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FOR THE YEAR ENDED 31 DECEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31-Dec-16 RM'000	Preceding Quarter Ended 31-Dec-15 RM'000 Restated	Current Quarter To date 31-Dec-16 RM'000	Preceding Quarter To date 31-Dec-15 RM'000 Restated
<b>(Loss)/Profit attributable to:</b>				
Owners of the parent	(21,685)	53,411	21,474	70,929
Non-controlling interests	(190)	141	(2,995)	(1,503)
	<b>(21,875)</b>	<b>53,552</b>	<b>18,479</b>	<b>69,426</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	20,278	96,475	62,094	108,409
Non-controlling interests	(190)	141	(2,995)	(1,503)
	<b>20,088</b>	<b>96,616</b>	<b>59,099</b>	<b>106,906</b>
<b>(Loss)/Earnings per share attributable to owners of parent (sen):</b>				
Basic (Note 27)	(1.44)	3.60	1.43	4.79

(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 31 DECEMBER 2016**

	<b>Unaudited As at 31-Dec-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	1,308,466	1,216,644
Biological assets	694,375	654,953
Investment property	11,000	11,000
Goodwill	7,480	9,959
Other investments	355,400	331,251
Investment securities	53	57
Other receivables	109,771	84,932
Deferred tax assets	22,230	20,917
	<b>2,508,775</b>	<b>2,329,713</b>
<b>Current assets</b>		
Inventories	39,315	45,798
Trade and other receivables	72,356	68,711
Prepayments	7,049	3,406
Tax recoverable	7,932	9,182
Cash and bank balances	123,326	126,461
	<b>249,978</b>	<b>253,558</b>
<b>Total assets</b>	<b>2,758,753</b>	<b>2,583,271</b>
<b>Current liabilities</b>		
Borrowings	12,359	19,314
Trade and other payables	166,593	188,814
Tax payable	4,636	6,385
	<b>183,588</b>	<b>214,513</b>
<b>Net current assets</b>	<b>66,390</b>	<b>39,045</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	4,070	3,709
Borrowings	811,915	718,909
Other payable	93,639	70,856
Deferred tax liabilities	177,644	157,742
	<b>1,087,268</b>	<b>951,216</b>
<b>Total liabilities</b>	<b>1,270,856</b>	<b>1,165,729</b>
<b>Net assets</b>	<b>1,487,897</b>	<b>1,417,542</b>



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	<b>Unaudited As at 31-Dec-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	301,092	296,332
Share premium	42,822	33,064
Retained earnings	518,384	500,172
Other reserves	626,240	585,620
	<u>1,488,538</u>	<u>1,415,188</u>
<b>Non-controlling interests</b>	(641)	2,354
	<u>1,487,897</u>	<u>1,417,542</u>
<b>Total equity</b>	<u><b>1,487,897</b></u>	<u><b>1,417,542</b></u>
<b>Total equity and liabilities</b>	<u><b>2,758,753</b></u>	<u><b>2,583,271</b></u>
Net assets per share (RM)	0.99	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 YEAR ENDED 31 DECEMBER 2016**

	Attributable to owners of the parent											Non-controlling interests RM'000
	Equity attributable to owners of the parent		Non-distributable		Distributable		Non-distributable				Non-controlling interests RM'000	
	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 reserve RM'000	Fair value adjustment reserve RM'000	Transaction with non-controlling interest RM'000		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 year	18,479	21,474	-	-	21,474	-	-	-	-	-	(2,995)	
<b>Other comprehensive income</b>												
Net gain on fair value changes in available for sale investments' fair value movement	(4)	(4)	-	-	-	(4)	-	-	(4)	-	-	
Foreign currency translation	9,806	9,806	-	-	-	9,806	-	9,806	-	-	-	
Net surplus on revaluation of land, buildings, plant and machinery and plantation development expenditure	33,824	33,824	-	-	-	33,824	33,824	-	-	-	-	
Transfer of revaluation reserve upon written off the assets	(3,006)	(3,006)	-	-	-	(3,006)	(3,006)	-	-	-	-	
Other comprehensive income for the year, net of tax	40,620	40,620	-	-	-	40,620	30,818	9,806	(4)	-	-	
Total comprehensive income for the year	59,099	62,094	-	-	21,474	40,620	30,818	9,806	(4)	-	(2,995)	
<b>Transactions with owners</b>												
Issuance of shares pursuant to DRS	14,518	14,518	4,760	9,758	-	-	-	-	-	-	-	
Dividends paid on ordinary shares	(3,262)	(3,262)	-	-	(3,262)	-	-	-	-	-	-	
Total transactions with owners	11,256	11,256	4,760	9,758	(3,262)	-	-	-	-	-	-	
<b>Closing balance at 31 December 2016</b>	1,487,897	1,488,538	301,092	42,822	518,384	626,240	662,754	(36,440)	(43)	(31)	(641)	
<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 year	69,426	70,929	-	-	70,929	-	-	-	-	-	(1,503)	
<b>Other comprehensive income</b>												
Net gain on fair value changes in available for sale investments' fair value movement	(31)	(31)	-	-	-	(31)	-	-	(31)	-	-	
Foreign currency translation	(25,194)	(25,194)	-	-	-	(25,194)	-	(25,194)	-	-	-	
Net surplus on revaluation of land, buildings, plant and machinery and plantation development expenditure	62,705	62,705	-	-	-	62,705	62,705	-	-	-	-	
Other comprehensive income for the year, net of tax	37,480	37,480	-	-	-	37,480	62,705	(25,194)	(31)	-	-	
Total comprehensive income for the year	106,906	108,409	-	-	70,929	37,480	62,705	(25,194)	(31)	-	(1,503)	
<b>Transactions with owners</b>												
Dividends paid on ordinary shares	(22,725)	(22,225)	-	-	(22,225)	-	-	-	-	-	(500)	
Total transactions with owners	(22,725)	(22,225)	-	-	(22,225)	-	-	-	-	-	(500)	
<b>Closing balance at 31 December 2015</b>	1,417,542	1,415,188	296,332	33,064	500,172	585,620	631,936	(46,246)	(39)	(31)	2,354	

(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 YEAR ENDED 31 DECEMBER 2016**

	Year Ended	
	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	36,006	69,350
Adjustments for:		
Interest expense	21,413	8,588
Depreciation of property, plant and equipment	44,533	39,625
Property, plant and equipment written off	316	69
Biological asset written off	-	44
Inventories written off	10	1
Impairment loss on trade and other receivables	1,546	2,998
Impairment of biological assets	12,955	827
Impairment of property, plant and equipment	35,702	-
Impairment of goodwill	2,479	-
Gain on disposal of property, plant and equipment	(30)	(15)
Dividend income	(235)	(235)
Unrealised gain on the foreign exchange of investment in fixed income securities	(24,150)	(31,952)
Payables written back	(8)	(153)
Interest income	(37,186)	(36,442)
Provision for short term accumulating compensated absences	147	36
Provision for retirement benefit obligations	361	384
Total adjustments	57,853	(16,225)
Operating cash flows before changes in working capital	93,859	53,125
<u>Changes in working capital</u>		
Decrease in inventories	6,483	2,536
Increase in receivables	(25,945)	(33,652)
(Decrease)/Increase in payables	(4,908)	86,910
Total changes in working capital	(24,370)	55,794
Cash flows from operations	69,489	108,919
Interest paid	(21,413)	(8,588)
Interest received	27,079	4,776
Taxes paid	(17,797)	(22,151)
Retirement benefits paid	-	(53)
Net cash flows generated from operating activities	57,358	82,903



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Year Ended</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(107,400)	(142,815)
Addition of plantation development expenditure	(17,561)	(101,831)
Dividend received	235	235
Proceeds from disposal of property, plant and equipment	30	15
Withdrawal of deposit with licensed banks	17,344	21,034
Increase in deposit with licensed banks pledged as securities for certain banking facilities	(30)	(26,929)
Investment in fixed income securities	-	(19,218)
Net cash flows used in investing activities	<u>(107,382)</u>	<u>(269,509)</u>
<b>Cash flows from financing activities</b>		
Drawdowns of term loans	84,359	224,724
Drawdowns of hire purchase facilities	283	-
Proceeds from subscription of IDR notes	-	19,218
Repayments of term loans	(20,485)	(8,096)
Repayments of hire purchase facilities	(2,157)	(193)
Share issuance expense	(202)	-
Dividend paid	(3,262)	(22,725)
Net cash flows generated from financing activities	<u>58,536</u>	<u>212,928</u>
<b>Net increase in cash and cash equivalents</b>	8,512	26,322
<b>Cash and cash equivalents at 1 January</b>	72,039	37,838
Effect of foreign exchange rate changes	9,806	7,879
<b>Cash and cash equivalents at end of the period</b>	<u>90,357</u>	<u>72,039</u>

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

Cash and banks balances	123,326	126,461
Bank overdraft	(2,714)	(6,853)
Less: Deposits pledged for bank facilities	(30,255)	(30,225)
Less: Deposits with licensed banks with maturity period more than 3 months	-	(17,344)
Cash and cash equivalents	<u>90,357</u>	<u>72,039</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 31 December 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.

**Explanatory Notes Pursuant to FRS 134**

**8. Dividends paid**

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

**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 31 December 2016</b>				
<b>Revenue</b>				
Total revenue	137,238	47,926	-	185,164
Intersegment-revenue	(57,955)	(1,864)	-	(59,819)
External revenue	<u>79,283</u>	<u>46,062</u>	-	<u>125,345</u>
Depreciation	10,389	3,195	-	13,584
Segment result (external)	(3,569)	(607)	14	<u>(4,162)</u>
Loss before tax				<u>(4,162)</u>

<b>3 months ended 31 December 2015 Restated</b>				
<b>Revenue</b>				
Total revenue	106,789	49,168	-	155,957
Intersegment-revenue	(37,796)	(5,603)	-	(43,399)
External revenue	<u>68,993</u>	<u>43,565</u>	-	<u>112,558</u>
Depreciation	5,500	2,102	-	7,602
Segment result (external)	58,479	(1,845)	12	<u>56,646</u>
Profit before tax				<u>56,646</u>

	<b>PLANTATION RM'000</b>	<b>HEALTHCARE RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>12 months ended 31 December 2016</b>				
<b>Revenue</b>				
Total revenue	396,827	192,013	-	588,840
Intersegment-revenue	(150,782)	(9,361)	-	(160,143)
External revenue	<u>246,045</u>	<u>182,652</u>	-	<u>428,697</u>
Depreciation	31,394	13,139	-	44,533
Segment result (external)	27,859	8,127	20	<u>36,006</u>
Profit before tax				<u>36,006</u>

<b>12 months ended 31 December 2015 Restated</b>				
<b>Revenue</b>				
Total revenue	288,098	177,402	-	465,500
Intersegment-revenue	(72,474)	(12,196)	-	(84,670)
External revenue	<u>215,624</u>	<u>165,206</u>	-	<u>380,830</u>
Depreciation	27,233	12,392	-	39,625
Segment result (external)	58,765	10,572	13	<u>69,350</u>
Profit before tax				<u>69,350</u>

## 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>				
31 December 2016	2,488,880	267,345	2,528	2,758,753
31 December 2015	2,297,382	283,379	2,510	2,583,271
<b>Total liabilities</b>				
31 December 2016	1,144,355	125,046	1,455	1,270,856
31 December 2015	1,007,669	156,609	1,451	1,165,729

## 10. Valuation on non-current assets

Assets of the Group were revalued by independent valuers during the quarter under review. The revaluation surplus of RM50.0 million for property, plant and equipment and biological assets have been accounted for in other reserves and recognised in the financial statements for the year ended 31 December 2016.

## 11. Material subsequent event

### **Proposed Bonus Issue of up to 150,546,238 New Ordinary Shares**

On 27 February 2017, the Board of Directors of the Company has approved a proposal to implement a Proposed Bonus issue of up to 150,546,238 new Bonus Shares on the basis of one (1) Bonus Share for every ten (10) existing TDM Shares held at a date to be determined and announced later.

The Proposed Bonus Issue is undertaken to reward TDM's shareholders for their continued support and loyalty to the Group by enabling them to have an increase in the number of TDM Shares held whilst maintaining their percentage of equity interest in our Company.

In addition, the Proposed Bonus Issue is expected to enhance the marketability and trading liquidity of TDM Shares on Bursa Securities by way of a larger capital base. Further, the Proposed Bonus Issue will result in an increase in the Company's share capital base to better reflect the size of operations of the Group.

### **Execution of a Heads of Agreement ("HOA") between TDM and Terengganu Incorporated Sdn Bhd ("TI") for The Proposed Acquisition of TI's 42.64% Equity Interest in Ladang Rakyat Trengganu Sdn Bhd ("Ladang Rakyat") ("Proposed Acquisition")**

On 27 February 2017, TDM announced that it had entered into a HOA with TI to acquire TI's entire equity interest of 42.64% in Ladang Rakyat. The Proposed Acquisition will increase TDM's current shareholdings in Ladang Rakyat from 19.12% (held via its subsidiary) to 61.76%.

The purchase consideration for the Proposed Acquisition will be determined upon the completion of a valuation of the plantation land of Ladang Rakyat and TDM's satisfaction of its due diligence findings prior to the execution of a definitive shares sale agreement ("SSA"). The SSA is expected to be signed within 6 months from the date of the HOA or any other date to be agreed by the parties.

**Explanatory Notes Pursuant to FRS 134**

**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 31 December 2016 are as follows:

	<b>RM '000</b>
Authorised by the Directors and contracted	16,215
Authorised by the Directors but not contracted	<u>82,056</u>
	<u><u>98,271</u></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 - Q4 2016 versus Q4 2015**

	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
		<b>Restated</b>	
<b>Revenue</b>			
Plantation	79,283	68,993	15%
Healthcare	46,062	43,565	6%
<b>Total</b>	<b>125,345</b>	<b>112,558</b>	<b>11%</b>
<b>(Loss)/Profit Before Tax ("PBT")</b>			
Plantation	(3,569)	58,479	-106%
Healthcare	(607)	(1,845)	67%
<b>Total</b>	<b>(4,176)</b>	<b>56,634</b>	<b>-107%</b>

Group revenue of RM125.3 million for the current quarter ended 31 December 2016 was 11% higher than reported in the preceding corresponding quarter. The Group recorded loss of RM4.2 million in the current quarter, compared to RM56.6 million profit in the previous corresponding quarter.

Plantation Division

During the quarter, the Plantation Division recorded a loss of RM3.6 million compared to RM58.5 million profit in the same quarter last year, mainly due to:

- a) Higher losses at Indonesian operation, mainly from impairment of assets amounting to RM48.6 million;
- b) Lower CPO and PK productions by 16% and 14% respectively;

<b>Production</b>	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Variance</b>
	<b>mt</b>	<b>mt</b>	<b>%</b>
CPO	24,461	29,047	-16%
PK	6,713	7,839	-14%

- c) Lower unrealised gain on the foreign exchange of investment in fixed income securities by RM15.8 million; and
- d) Higher finance cost by RM4.5 million.

However, this was partly offset with;

- a) Higher CPO and PK prices by 37% and 42% respectively;

<b>Average Price</b>	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Variance</b>
	<b>RM/mt</b>	<b>RM/mt</b>	<b>%</b>
CPO	2,985	2,186	37%
PK	2,383	1,673	42%

During the period, we have sold 12,282 mt of indentity preserved CSPO and 6,641 mt of mass balance CSPO at premiums of RM128/mt and RM78/mt respectively; and

- b) Lower replanting/immature cost at Malaysian operation by RM2.4 million.

Healthcare Division

For the quarter under review, the Healthcare Division recorded 6% increase in revenue. This was mainly due to higher in number of patients.

During the quarter, the division recorded lower loss by RM1.2 million.

**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 - FY 2016 versus FY 2015**

	<b>FY2016</b>	<b>FY2015</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
		<b>Restated</b>	
<b>Revenue</b>			
Plantation	246,045	215,624	14%
Healthcare	182,652	165,206	11%
<b>Total</b>	<b>428,697</b>	<b>380,830</b>	<b>13%</b>
<b>Profit Before Tax ("PBT")</b>			
Plantation	27,859	58,765	-53%
Healthcare	8,127	10,572	-23%
<b>Total</b>	<b>35,986</b>	<b>69,337</b>	<b>-48%</b>

Group revenue of RM428.7 million for the year ended 31 December 2016 was 13% higher than reported in the preceding corresponding year. The Group recorded lower PBT of RM36.0 million in the current year, compared to RM69.3 million in the previous corresponding year.

Plantation Division

During the year, the Plantation Division recorded lower PBT by 53% compared to the previous corresponding year, mainly due to:

- a) Higher losses at Indonesian operation, mainly from impairment of assets amounting to RM48.6 million.
- b) Lower CPO and PK production;

<b>Production</b>	<b>FY2016</b>	<b>FY2015</b>	<b>Variance</b>
	<b>mt</b>	<b>mt</b>	<b>%</b>
CPO	78,493	90,552	-13%
PK	20,262	23,388	-13%

- c) Lower unrealised gain on the foreign exchange of investment in fixed income securities by RM7.8 million; and
- d) Higher finance cost by RM12.8 million.

However, this was partly offset with;

- a) Higher CPO and PK prices by 23% and 43% respectively;

<b>Average Price</b>	<b>FY2016</b>	<b>FY2015</b>	<b>Variance</b>
	<b>RM/mt</b>	<b>RM/mt</b>	<b>%</b>
CPO	2,696	2,184	23%
PK	2,258	1,578	43%

During the period, we have sold 36,566 mt of identity preserved CSPO and 10,387 mt of mass balance CSPO at premiums of RM124/mt and RM78/mt respectively; and

- b) Lower replanting/immature cost at Malaysian operation by RM5.0 million

Healthcare Division

During the year, the Healthcare Division recorded 11% increase in revenue from higher patient number by 3%.

The division recorded lower PBT of RM8.1 million compared to RM10.6 million in previous year due to higher operating costs and impairment of goodwill.

**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 - Q4 2016 versus Q3 2016**

The current quarter under review recorded loss of RM4.2 million compared to profit of RM22.7 million in the preceding quarter, mainly due to:

- a) Impairment of asset at Indonesian operation of RM48.6 million; and
- b) Impairment on goodwill at Healthcare Division of RM2.5 million.

However this was partly offset with;

- a) Higher CPO and PK productions by 25% and 42% respectively;

Production	Q4 2016	Q3 2016	Variance
	mt	mt	%
CPO	24,461	19,598	25%
PK	6,713	4,721	42%

- b) Higher CPO and PK prices by 13% and 4% respectively;

Average Price	Q4 2016	Q3 2016	Variance
	RM/mt	RM/mt	%
CPO	2,985	2,631	13%
PK	2,383	2,288	4%

- c) Higher unrealised gain on the foreign exchange of investment in fixed income securities by RM15.7 million.

**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**

The recent correction in palm oil prices is due to the expectation of stronger production in second half of 2017 as palms recover from the effects of El Nino.

However, the Group is optimistic on the long term fundamentals of the industry and will remain focused in improving productivity and optimizing production cost. We are also committed to sustainability agenda and the RSPO certification has enabled us to enjoy better premium from the sale of our CSPO.

**Healthcare**

Slowing economy and challenging environment will continue to weigh on the Healthcare sector. Nevertheless, we are cautiously optimistic that our Healthcare Division growth would remain supported by our capacity expansion and introduction of new service modalities.

The Group is cautiously optimistic of achieving expected satisfactory performance in FY2017.

**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 31 December 2016.



## 19. Profit for the period

	Current year to date	
	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>The following amounts have been included in arriving at profit before tax:</b>		
Interest expense	21,413	8,588
Interest income	(37,186)	(36,442)
Depreciation of property, plant and equipment	44,533	39,625
Gain on disposal of property, plant and equipment	(30)	-
Property, plant and equipment written off	316	69
Biological asset written off	-	44
Inventories written off	10	1
Impairment loss on trade and other receivables	1,546	2,998
Impairment of biological assets	12,955	827
Impairment of property, plant and equipment	35,702	-
Impairment of goodwill	2,479	-
Payables written back	(8)	-
Unrealised gain on the foreign exchange of investment in fixed income securities	(24,150)	(31,952)

## 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 year To date	
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
Current income tax	7,912	7,812	18,828	11,788
Under/(Over) provision of income tax in prior year	1,390	(1,411)	(1,240)	(834)
	9,302	6,401	17,588	10,954
Deferred tax				
Relating to origination and reversal of temporary differences	(6)	(5,190)	(14)	(7,834)
Relating to changes in Malaysia tax rates	4	28	-	33
Under/(Over) provision of deferred tax	8,413	(4,333)	(47)	(3,229)
Income tax	17,713	(3,094)	17,527	(76)

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 quarter and year to date were higher than the statutory tax rate of the respective period principally due to non allowable expense mainly from impairment of assets in Indonesia.

## 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

There were no corporate proposals of the Group during the quarter under review.

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

Details of the Group's borrowings as at 31 December 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	1,449	409,022	410,471
- Bank overdraft	2,714	-	2,714
- Obligation under the finance leases	8,196	2,193	10,389
	<u>12,359</u>	<u>411,215</u>	<u>423,574</u>
<b><u>Unsecured</u></b>			
- Bank loans	-	50,000	50,000
- IDR Notes	-	350,700	350,700
	<u>-</u>	<u>400,700</u>	<u>400,700</u>
Total	<u>12,359</u>	<u>811,915</u>	<u>824,274</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 period ended 31 December 2016.

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

**1. Permohonan Penundaan Kewajipan Pembayaran Utang ("Application of Suspension of Obligation of Payment of Debt")**

PT Rafi Kamajaya Abadi ("PT RKA") had on 19 January 2017 received a ("Permohonan Penundaan Kewajipan Pembayaran Utang") ("PKPU") ("Application for Suspension of Obligation of Payment of Debt") submitted by Modipalm Engineering Sdn. Bhd. ("Modipalm") at the Pengadilan Negeri ("Court"), Jakarta Pusat against PT RKA on the ground that the amount of USD1,629,465.45 (import portion) and IDR3,582,599,635 (local portion) is due and payable to them.

On 9 February 2017, the presiding judges decided to reject Modipalm's petition against PT RKA on the basis that the debt/outstanding cannot be simply proven in accordance to the PKPU requirements. The matter is now closed.

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

**2. Surat Panggilan from Pengadilan Negeri Sintang in relation to a suit filed by Ibu Suryati**

PT RKA had on 26 January 2017 received a "Surat Panggilan" dated 25 January 2017 from Pengadilan Negeri Sintang in relation to a suit filed by Ibu Suryati.

In the "Surat Panggilan", PT RKA is required to appear before the Pengadilan Negeri Sintang for the 1st mention of Ibu Suryati's suit on her claims as follows:-

1. She is the lawful registered owner of all pieces of lands of approximately 15 ha which was allegedly encroached by PT RKA;
2. The alleged act of PT RKA in clearing and planting the land with oil palms is an act against the Indonesian law;
3. She has suffered losses due to the alleged activities by PT RKA;
4. Applied for Conservatoir Beslaag (Sita Jaminan) order against PTRKA to stop all alleged activities over the disputed lands including transfer of the lands;
5. To pay compensation of all losses suffered by her due to the alleged land clearing activities by PT RKA (including Ganti Rugi 2 Makam/2 Graves Compensation) with total sum of IDR4,528,100,000 (RM1,506,135.00);
6. To pay a Dwangsom (Uangpaksa) of IDR10,000,000 per day from the date of her claim was filed in the Court; and
7. To bear all costs and expenses in relation to this suit.

PT RKA has sought legal advice on the aforesaid matter. The Plaintiff has on 27 February 2017 filed her Reply to the Court. The Court has fixed a new date on 6 March 2017 for the Defendant to file its response to the Reply (known as "Duplik").

**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.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31.12.2016	Preceding Quarter Ended 31.12.2015 Restated	Current Quarter To date 31.12.2016	Preceding Quarter To date 31.12.2015 Restated
(Loss)/Profit for the period attributable to owners	(21,685)	53,411	21,474	70,929
Weighted average number of ordinary shares in issue for basic earnings per share computation ('000)	1,505,462	1,481,662	1,505,462	1,481,662
(Loss)/Earnings per ordinary share attributable to owners of the parent (sen)				
Basic	(1.44)	3.60	1.43	4.79

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

**28. Realised and unrealised profits**

	<b>As at 31-Dec-16 RM'000</b>	<b>As at 31-Dec-15 RM'000</b>
Total retained profits of the Company and subsidiaries		
- Realised profits	417,956	531,262
- Unrealised profits	44,145	73,820
	<u>462,101</u>	<u>605,082</u>
Less: Consolidation adjustments	56,283	(104,910)
Total Group retained profits as per consolidated accounts	<u>518,384</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 27 February 2017.

**BY ORDER OF THE BOARD**

WAN HASLINDA WAN YUSOFF  
Company Secretary

Kuala Terengganu  
28 February 2017