



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
31 DECEMBER 2017**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31-Dec-17 RM'000	Preceding Quarter Ended 31-Dec-16 RM'000	Current Quarter To date 31-Dec-17 RM'000	Preceding Quarter To date 31-Dec-16 RM'000
Revenue	121,152	125,193	448,896	428,545
Cost of sales	(68,836)	(74,354)	(244,421)	(257,849)
Gross profit	52,316	50,839	204,475	170,696
Other items of income				
Interest income	10,641	11,251	38,772	37,205
Other income	4,014	16,852	9,718	28,533
Other items of expense				
Distribution costs	(1,571)	(1,602)	(5,249)	(5,398)
Administrative expenses	(36,068)	(70,560)	(152,970)	(155,886)
Other expenses	(4,342)	(4,408)	(19,815)	(18,641)
Finance costs	(7,832)	(7,444)	(21,936)	(21,413)
Profit/(loss) before tax	17,158	(5,072)	52,995	35,096
Income tax expenses	(22,439)	(18,214)	(34,897)	(18,028)
(Loss)/profit for the period, net of tax	(5,281)	(23,286)	18,098	17,068
Other comprehensive income:				
Available for sale investments' fair value movement	(4)	5	(4)	(4)
Foreign currency translation	13,825	(1,180)	12,378	(2,514)
Revaluation of land, buildings, plant & machinery and plantation development expenditure	142,329	(32,685)	142,329	(32,685)
Deferred tax related to:				
Net (surplus)/deficit on revaluation	(34,183)	7,844	(34,183)	7,844
Transfer of revaluation reserve upon written off the assets	(100)	(3,006)	(1,036)	(3,006)
Other comprehensive income for the period, net of tax	121,867	(29,022)	119,484	(30,365)
Total comprehensive income for the period	116,586	(52,308)	137,582	(13,297)



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31-Dec-17 RM'000	Preceding Quarter Ended 31-Dec-16 RM'000	Current Quarter To date 31-Dec-17 RM'000	Preceding Quarter To date 31-Dec-16 RM'000
(Loss)/Profit attributable to:				
Owners of the parent	(2,618)	(23,031)	22,730	20,128
Non-controlling interests	(2,663)	(255)	(4,632)	(3,060)
	(5,281)	(23,286)	18,098	17,068
Total comprehensive income attributable to:				
Owners of the parent	119,249	(52,053)	142,214	(10,237)
Non-controlling interests	(2,663)	(255)	(4,632)	(3,060)
	116,586	(52,308)	137,582	(13,297)
Earnings per share attributable to owners of the parent (sen):				
Basic (Note 28)	(0.16)	(1.53)	1.44	1.34

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017**

	Unaudited As at 31-Dec-17 RM'000	Audited As at 31-Dec-16 RM'000
Assets		
Non-current assets		
Property, plant & equipment	1,349,160	1,221,033
Biological assets	654,369	584,371
Intangible asset	7,179	7,463
Investment property	11,400	11,000
Goodwill	991	7,003
Other investments	319,700	355,400
Investment securities	48	53
Other receivables	109,904	109,419
Deferred tax assets	20,693	12,461
	2,473,444	2,308,203
Current assets		
Inventories	33,280	38,568
Trade and other receivables	70,388	76,307
Prepayments	2,731	7,049
Tax recoverable	3,989	7,514
Cash and bank balances	108,279	122,168
	218,667	251,606
Total assets	2,692,111	2,559,809
Current liabilities		
Borrowings	34,300	33,464
Trade and other payables	160,406	178,639
Tax payable	2,393	4,845
	197,099	216,948
Net current assets	21,568	34,658
Non-current liabilities		
Retirement benefit obligations	4,293	4,070
Borrowings	757,796	790,810
Other payable	87,710	92,712
Deferred tax liabilities	200,290	141,503
	1,050,089	1,029,095
Total liabilities	1,247,188	1,246,043
Net assets	1,444,923	1,313,766



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Unaudited As at 31-Dec-17 RM'000	Audited As at 31-Dec-16 RM'000
Equity attributable to owners of the parent		
Share capital	345,017	301,092
Share premium	-	42,822
Retained earnings	435,004	419,802
Other reserves	674,739	555,255
	<u>1,454,760</u>	<u>1,318,971</u>
Non-controlling interests	(9,837)	(5,205)
Total equity	<u>1,444,923</u>	<u>1,313,766</u>
Total equity and liabilities	<u>2,692,111</u>	<u>2,559,809</u>
Net assets per share (RM)	0.87	0.88

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 31 DECEMBER 2017

	Attributable to owners of the parent										
	Equity attributable to owners of the parent		Non-distributable		Distributable		Non-distributable				Non-controlling interests
			Share capital*	Share premium	Retained earnings	Total other reserves	Asset revaluation reserve	Foreign currency reserve	Fair value adjustment reserve	Transaction with non-controlling interest	
	Total equity RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2017	1,313,766	1,318,971	301,092	42,822	419,802	555,255	604,089	(48,760)	(43)	(31)	(5,205)
Transfer of share premium on 31 January 2017	-	-	42,822	(42,822)	-	-	-	-	-	-	-
Profit for the year	1,313,766	1,318,971	343,914	-	419,802	555,255	604,089	(48,760)	(43)	(31)	(5,205)
	18,098	22,730	-	-	22,730	-	-	-	-	-	(4,632)
Other comprehensive income											
Net loss on fair value changes in available for sale investments' fair value movement	(4)	(4)	-	-	-	(4)	-	-	(4)	-	-
Foreign currency translation	12,378	12,378	-	-	-	12,378	-	12,378	-	-	-
Net surplus on revaluation of land, buildings, plant and machinery and plantation development expenditure	108,146	108,146	-	-	-	108,146	108,146	-	-	-	-
Transfer of revaluation reserve upon written off the assets	(1,036)	(1,036)	-	-	-	(1,036)	(1,036)	-	-	-	-
Other comprehensive income for the year, net of tax	119,484	119,484	-	-	-	119,484	107,110	12,378	(4)	-	-
Total comprehensive income for the year	137,582	142,214	-	-	22,730	119,484	107,110	12,378	(4)	-	(4,632)
Transactions with owners											
Issuance of shares pursuant to dividend reinvestment scheme	-	-	1,103	-	(1,103)	-	-	-	-	-	-
Dividends paid on ordinary shares	(6,425)	(6,425)	-	-	(6,425)	-	-	-	-	-	-
Total transactions with owners	(6,425)	(6,425)	1,103	-	(7,528)	-	-	-	-	-	-
Closing balance at 31 December 2017	1,444,923	1,454,760	345,017	-	435,004	674,739	711,199	(36,382)	(47)	(31)	(9,837)
Opening balance at 1 January 2016	1,417,542	1,415,188	296,332	33,064	500,172	585,620	631,936	(46,246)	(39)	(31)	2,354
Prior year adjustments	(87,217)	(82,718)	-	-	(82,718)	-	-	-	-	-	(4,499)
Opening balance at 1 January 2016 (restated)	1,330,325	1,332,470	296,332	33,064	417,454	585,620	631,936	(46,246)	(39)	(31)	(2,145)
Profit for the year	17,068	20,128	-	-	20,128	-	-	-	-	-	(3,060)
Other comprehensive income											
Net gain on fair value changes in available for sale investments' fair value movement	(4)	(4)	-	-	-	(4)	-	-	(4)	-	-
Foreign currency translation	(2,514)	(2,514)	-	-	-	(2,514)	-	(2,514)	-	-	-
Net deficit on revaluation of land, buildings, plant and machinery and plantation development expenditure	(24,841)	(24,841)	-	-	-	(24,841)	(24,841)	-	-	-	-
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	(30,365)	(30,365)	-	-	-	(30,365)	(27,847)	(2,514)	(4)	-	-
Total comprehensive income for the year	(13,297)	(10,237)	-	-	20,128	(30,365)	(27,847)	(2,514)	(4)	-	(3,060)
Transactions with owners											
Issuance of shares pursuant to dividend reinvestment scheme	-	-	4,760	9,758	(14,518)	-	-	-	-	-	-
Dividends paid on ordinary shares	(3,262)	(3,262)	-	-	(3,262)	-	-	-	-	-	-
Total transactions with owners	(3,262)	(3,262)	4,760	9,758	(17,780)	-	-	-	-	-	-
Closing balance at 31 December 2016	1,313,766	1,318,971	301,092	42,822	419,802	555,255	604,089	(48,760)	(43)	(31)	(5,205)

*Included in the transfer of share premium to the share capital accounts on 31 January 2017 of RM42,822,000 is issuance of shares pursuant to bonus issue amounting to RM30,109,000 in August 2017 which representing transaction with owners.

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Period Ended	
	31-Dec-17 RM'000	31-Dec-16 RM'000
Cash flows from operating activities		
Profit before tax	52,995	35,096
Adjustments for:		
Interest expense	21,936	21,413
Depreciation of property, plant and equipment	42,025	43,485
Amortisation of intangible asset	283	945
Property, plant and equipment written off	832	3,131
Biological asset written off	471	-
Inventories written off	10,165	10
Impairment loss on trade and other receivables	1,822	3,033
(Reversal of impairment)/impairment of biological asset	(37,684)	5,535
Impairment of property, plant and equipment	11,305	41,702
Impairment of goodwill	6,012	2,956
Gain on disposal of property, plant and equipment	(1,190)	(21)
Dividend income	(942)	(235)
Unrealised loss/(gain) on the foreign exchange of investment in fixed income securities	35,700	(24,150)
Payables written back	(53)	-
Profit from Al-Mudharabah	(8,217)	(6,997)
Interest income	(30,555)	(30,208)
Provision for/(reversal of) short term accumulating compensated absences	107	(45)
Provision for retirement benefit obligations	222	361
Total adjustments	<u>52,239</u>	<u>60,915</u>
Operating cash flows before changes in working capital	<u>105,234</u>	<u>96,011</u>
<u>Changes in working capital</u>		
Decrease in inventories	5,288	7,220
Decrease/(increase) in receivables	9,752	(38,759)
(Decrease)/increase in payables	(31,234)	14,354
Total changes in working capital	<u>(16,194)</u>	<u>(17,185)</u>
Cash flows from operations	89,040	78,826
Interest paid	(58,194)	(45,958)
Interest received	39,338	27,166
Taxes paid	(22,316)	(18,729)
Tax refund	477	1,030
Net cash flows generated from operating activities	<u>48,345</u>	<u>42,335</u>



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Period Ended	
	31-Dec-17 RM'000	31-Dec-16 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,097)	(85,043)
Addition of plantation development expenditure	(2,179)	(17,903)
Dividend received	942	235
Proceeds from disposal of property, plant and equipment	2,700	220
(Addition)/withdrawal of deposit with licensed banks	(14,164)	13,226
Increase in deposit with licensed banks pledged as securities for certain banking facilities	(1,052)	(1,619)
Net cash flows used in investing activities	<u>(69,850)</u>	<u>(90,884)</u>
Cash flows from financing activities		
Drawdowns of term loans	22,916	85,795
Drawdowns of hire purchase facilities	963	253
Repayments of term loans	(31,599)	(17,611)
Repayments of hire purchase facilities	(3,175)	(2,659)
Dividend paid	(6,425)	(3,262)
Net cash flows (used in)/generated from financing activities	<u>(17,320)</u>	<u>62,516</u>
Net (decrease)/increase in cash and cash equivalents	(38,825)	13,967
Cash and cash equivalents at 1 January	83,492	72,039
Effect of foreign exchange rate changes	12,378	(2,514)
Cash and cash equivalents at end of the period	<u>57,045</u>	<u>83,492</u>

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

Cash and banks balances	108,279	122,168
Bank overdraft	(16,144)	(2,714)
Less: Deposits pledged for bank facilities	(32,896)	(31,844)
Less: Deposits with licensed banks with maturity period more than 3 months	(2,194)	(4,118)
Cash and cash equivalents	<u>57,045</u>	<u>83,492</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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. Basis of preparation

The Group falls within the scope definition of Transitioning Entities which are allowed to defer adoption of the Malaysian Financial Reporting Standards ("MFRS") Framework. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. For the financial year ending 31 December 2017, the Group will continue to prepare financial statements using Financial Reporting Standards ("FRS").

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 Main Market 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 2016. 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 year ended 31 December 2016.

2. Significant accounting policies

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2016, except for the adoption of the following new Financial Reporting Standards (FRS), Amendments to FRSS and IC Interpretations with effect from 1 January 2017:

FRS 107: Disclosure Initiatives (Amendment to FRS 107)

FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses (Amendment to FRS 112)

Annual Improvements to FRS Standards 2014-2016 Cycle

(i) Amendments to FRS 12: Disclosure of Interests in Other Entities

Adoption of the above Amendments to FRS did not have any effect on the financial performance, position or presentation of financials of the Group.

Explanatory Notes Pursuant to FRS 134

2. Significant accounting policies (cont'd.)

At the date of authorisation of these interim financial statements, the following FRS, Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretations and Amendments to IC Interpretations	Effective for annual periods beginning on or after
FRS 2: Classification and Measurement of Share-based Payments Transactions (Amendments to FRS 2)	1 January 2018
FRS 9: Financial Instruments	1 January 2018
FRS 15: Revenue from Contracts with Customers	1 January 2018
Annual Improvements to FRS Standards 2014-2016 Cycle	
(i) Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
(ii) Amendments to FRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2018
Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
Amendments to FRS 140: Transfer of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
FRS 16: Leases	1 January 2019
Annual Improvements to FRS Standards 2015-2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17: Insurance Contracts	1 January 2021
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

3. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2016 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 2017.

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

The segments are reported in a manner that is more consistent with internal reporting provided to the chief operating decision maker whereby the Group's business is presented in term of business division and geographical perspective. The operating performance is based on a measure of adjusted earning before interest, tax, depreciation and amortisation (EBITDA). The measurement basis excludes the effects of non-operational items from the reporting segments such as fair value gains and losses, foreign exchange gains and losses, impairment losses and gains or losses on disposal of assets.

3 months ended 31 December 2017

	Plantation		Healthcare RM'000	Others RM'000	Group RM'000
	Malaysia RM'000	Indonesia RM'000			
Total revenue	96,528	56	51,676	-	148,260
Intersegment revenue	(24,577)	-	(2,531)	-	(27,108)
External revenue	71,951	56	49,145	-	121,152
Adjusted EBITDA	28,629	(7,481)	2,479	(2)	23,625
Unrealised loss on foreign exchange of investment in fixed income securities	(14,700)	-	-	-	(14,700)
Reversal of impairment losses /(impairment losses)	(376)	26,760	(6,672)	-	19,712
Loss on disposal of property, plant & equipment	-	-	(10)	-	(10)
EBITDA	13,553	19,279	(4,203)	(2)	28,627
Depreciation & amortisation	(5,547)	(4,768)	(3,962)	-	(14,277)
Interest income	9,063	1,352	217	8	10,640
Finance cost	(6,889)	-	(943)	-	(7,832)
Profit / (Loss) before tax	10,180	15,863	(8,891)	6	17,158

3 months ended 31 December 2016

	Plantation		Healthcare RM'000	Others RM'000	Group RM'000
	Malaysia RM'000	Indonesia RM'000			
Total revenue	137,227	10	47,927	-	185,164
Intersegment revenue	(58,097)	(10)	(1,864)	-	(59,971)
External revenue	79,130	-	46,063	-	125,193
Adjusted EBITDA	37,560	(4,731)	6,912	(4)	39,737
Unrealised gain on foreign exchange of investment in fixed income securities	15,750	-	-	-	15,750
Impairment losses	-	(47,714)	(4,168)	-	(51,882)
Gain on disposal of property, plant & equipment	51	-	-	-	51
EBITDA	53,361	(52,445)	2,744	(4)	3,656
Depreciation & amortisation	(4,575)	(4,765)	(3,195)	-	(12,535)
Interest income	9,779	1,425	13	34	11,251
Finance cost	(6,508)	-	(936)	-	(7,444)
Profit/(Loss) before tax	52,057	(55,785)	(1,374)	30	(5,072)

Explanatory Notes Pursuant to FRS 134

9. Segmental reporting (cont'd.)

12 months ended 31 December 2017

	Plantation		Healthcare	Others	Group
	Malaysia RM'000	Indonesia RM'000	RM'000	RM'000	RM'000
Total Revenue	372,757	228	195,234	-	568,219
Intersegment revenue	(107,617)	-	(11,706)	-	(119,323)
External Revenue	265,140	228	183,528	-	448,896
Adjusted EBITDA	89,701	(16,693)	21,437	(13)	94,432
Unrealised loss on foreign exchange of investment in fixed income securities	(35,700)	-	-	-	(35,700)
Reversal of impairment losses /(impairment losses)	(381)	26,760	(7,834)	-	18,545
Gain/(loss) on disposal of property, plant & equipment	1,200	-	(10)	-	1,190
EBITDA	54,820	10,067	13,593	(13)	78,467
Depreciation & amortisation	(21,265)	(6,857)	(14,186)	-	(42,308)
Interest income	32,964	5,340	449	19	38,772
Finance cost	(18,320)	-	(3,616)	-	(21,936)
Profit/(Loss) before tax	48,199	8,550	(3,760)	6	52,995
Assets	1,910,386	514,960	264,218	2,547	2,692,111
Liabilities	356,498	762,520	126,710	1,460	1,247,188
Exchange rate ratio	MYR 1.00	IDR 3,337			

Explanatory Notes Pursuant to FRS 134

9. Segmental reporting (cont'd.)

12 months ended 31 December 2016

	Plantation		Healthcare	Others	Group
	Malaysia RM'000	Indonesia RM'000	RM'000	RM'000	RM'000
Total Revenue	395,885	942	192,013	-	588,840
Intersegment revenue	(150,924)	(10)	(9,361)	-	(160,295)
External Revenue	244,961	932	182,652	-	428,545
Adjusted EBITDA	72,170	(9,108)	29,737	(10)	92,789
Unrealised gain on foreign exchange of investment in fixed income securities	24,150	-	-	-	24,150
Impairment losses	(3)	(47,714)	(5,509)	-	(53,226)
Gain on disposal of property, plant & equipment	21	-	-	-	21
EBITDA	96,338	(56,822)	24,228	(10)	63,734
Depreciation & amortisation	(23,175)	(8,116)	(13,139)	-	(44,430)
Interest income	33,712	3,292	155	46	37,205
Finance cost	(17,529)	-	(3,884)	-	(21,413)
Profit/(Loss) before tax	89,346	(61,646)	7,360	36	35,096

12 months ended 31 December 2016

Assets	1,901,147	531,728	125,475	1,459	2,559,809
Liabilities	395,952	724,638	123,991	1,462	1,246,043
Exchange rate ratio	MYR 1.00	IDR 2,996			

Explanatory Notes Pursuant to FRS 134

10. Valuation on non-current assets

Assets of the Group were revalued by independent valuers during the quarter under review. The revaluation surplus of RM142.3 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 2017.

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.

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 2017 are as follows:

	RM '000
Authorised by the Directors and contracted	-
Authorised by the Directors but not contracted	483,221
	<u>483,221</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 2017 versus Q4 2016

	Q4 2017 RM'000	Q4 2016 RM'000	Changes RM'000	%
<u>REVENUE</u>				
Plantation	72,007	79,130	(7,123)	-9%
Healthcare	49,145	46,063	3,082	7%
Total revenue	121,152	125,193	(4,041)	-3%
<u>PROFIT BEFORE TAX</u>				
Plantation	21,148	32,829	(11,681)	-36%
Healthcare	2,479	6,912	(4,433)	-64%
Others	(2)	(4)	2	50%
Adjusted EBITDA	23,625	39,737	(16,112)	-41%
Unrealised (loss)/gain on foreign exchange of investment in fixed income securities	(14,700)	15,750	(30,450)	-193%
Reversal of impairment losses/(impairment losses)	19,712	(51,882)	71,594	138%
(Loss)/gain on disposal of property, plant & equipment	(10)	51	(61)	-120%
EBITDA	28,627	3,656	24,971	683%
Depreciation & amortisation	(14,277)	(12,535)	(1,742)	-14%
Interest income	10,640	11,251	(611)	-5%
Finance cost	(7,832)	(7,444)	(388)	-5%
Profit/(loss) before tax	17,158	(5,072)	22,230	438%

The Group's revenue for the quarter under review was lower by 3% compared to the previous corresponding quarter mainly due to lower palm product selling prices, and partly offset with higher crop production and higher Healthcare revenue.

PLANTATION DIVISION

The Plantation Division recorded lower revenue by 9% contributed by lower CPO price by 10%.

This is however, partly offset with;

a) Higher PK price by 16%; and

b) Higher CPO and PK production by 7% and 6% respectively.

Adjusted EBITDA or operating profit, for the Plantation division was lower by 36% or RM11.7 million compared to the corresponding quarter last year, mainly due to lower revenue by RM7.1 million, higher operating costs at Malaysian operation by RM4.1 million (in line with higher production) and higher replanting/immature cost for Malaysia operation by RM0.5 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

Individual quarter - Q4 2017 versus Q4 2016 (cont'd.)

Below are the key operating statistics for Plantation division:

Plantation Statistics	Q4 2017	Q4 2016	Changes	%
CPO production (mt)	26,138	24,461	1,677	7%
PK production (mt)	7,136	6,713	423	6%
FFB production (mt)	145,705	128,222	17,483	14%
CPO average price (RM)	2,695	2,985	(290)	-10%
PK average price (RM)	2,760	2,383	377	16%
Mature area (hectare)	35,459	35,783	(324)	-1%
Immature area (hectare)	8,804	8,681	123	1%
Oil extraction rate (OER)	17.83%	19.00%	-1.17%	-6%
Kernel extraction rate (KER)	4.89%	5.21%	-0.32%	-6%

HEALTHCARE DIVISION

The Healthcare Division, recorded higher revenue by 7% mainly due to higher number of inpatient by 1% and higher revenue per patient by 5% compared to the previous corresponding quarter.

Healthcare division's adjusted EBITDA was lower by 64% mainly due to higher administrative expenses by RM4.4 million from higher staff costs. During the quarter, the division recorded a one -off goodwill impairment charge of RM 6 million.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q4 2017	Q4 2016	Changes	%
Number of inpatient	5,419	5,358	61	1%
Number of outpatient	38,783	39,639	(856)	-2%
Inpatient days	16,144	16,708	(564)	-3%
Occupancy rate	56%	57%	(0.01)	-2%
Average length of stay	2.98	3.12	(0.14)	-4%
Number of bed	297	297	-	-
Average revenue per inpatient	2,260	2,149	111	5%

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 (cont'd.)

Cumulative quarter - FY 2017 versus FY 2016

	FY 2017	FY 2016	Changes	
	RM'000	RM'000	RM'000	%
<u>REVENUE</u>				
Plantation	265,368	245,893	19,475	8%
Healthcare	183,528	182,652	876	1%
Total revenue	448,896	428,545	20,351	5%
<u>PROFIT BEFORE TAX</u>				
Plantation	73,008	63,062	9,946	16%
Healthcare	21,437	29,737	(8,300)	-28%
Others	(13)	(10)	(3)	-30%
Adjusted EBITDA	94,432	92,789	1,643	2%
Unrealised (loss)/ gain on foreign exchange of investment in fixed income securities	(35,700)	24,150	(59,850)	-248%
Reversal of impairment losses/(impairment losses) equipment	18,545 1,190	(53,226) 21	71,771 1,169	135% 5567%
EBITDA	78,467	63,734	14,733	23%
Depreciation & amortisation	(42,308)	(44,430)	2,122	5%
Interest income	38,772	37,205	1,567	4%
Finance cost	(21,936)	(21,413)	(523)	-2%
Profit before tax	52,995	35,096	17,899	51%

The Group's revenue for the twelve months ended 31 December 2017 was higher by 5% compared to the previous corresponding period mainly due to higher crop production and palm product selling prices.

PLANTATION DIVISION

The Plantation Division recorded higher revenue by 8% contributed by:

- a) Higher CPO and PK productions by 7% and 8% respectively; and
- b) Higher CPO and PK prices by 7% and 16% respectively.

Adjusted EBITDA or operating profit, for the Plantation division was higher by 16% compared to the corresponding period last year, underpinned by the higher crop production and higher palm products selling prices. However it was partly offset with higher losses at Indonesia operation by RM4.3 million, higher operating costs at Malaysian operation by RM3.1 million (in line with higher production) and higher replanting/immature cost for Malaysia operation by RM0.9 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 (cont'd.)

Cumulative quarter - FY 2017 versus FY 2016 (cont'd.)

In accordance with our replanting policy, between 2012-2017, the Group has spent RM106.0 million on replanting and immature area expenses to rejuvenate our estates in Terengganu. It involves a total hectarage of 7,183.24 ha. The replanting of old and unproductive areas will help to improve oil palm productivity through usage of superior planting materials and higher planting density (from existing average stand per ha of 110, to 136-148 stand per ha). It will also help to improve our age profile towards achieving higher yield.

Below are the key operating statistics for Plantation division:

Plantation Statistics	FY 2017	FY 2016	Changes	%
CPO production (mt)	84,027	78,494	5,533	7%
PK production (mt)	21,969	20,262	1,707	8%
FFB production (mt)	455,505	403,618	51,887	13%
CPO average price (RM)	2,872	2,696	176	7%
PK average price (RM)	2,614	2,258	356	16%
Mature area (hectare)	35,459	35,783	(324)	-1%
Immature area (hectare)	8,804	8,681	123	1%
Oil extraction rate (OER)	18.56%	19.57%	-1.01%	-5%
Kernel extraction rate (KER)	4.86%	5.05%	-0.19%	-4%

HEALTHCARE DIVISION

Healthcare Division recorded slightly higher revenue mainly due to improvement in inpatient case mix, partly offset with lower number of inpatient and outpatient number by 1% and 4% respectively compared to the previous corresponding period.

Healthcare division's adjusted EBITDA was lower by 28% mainly due to higher administrative expenses and higher cost of sales by RM7.1 million and RM1.1 million respectively. During the year, the division recorded a one-off goodwill impairment charge of RM6.0 million.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	FY 2017	FY 2016	Changes	%
Number of inpatient	21,595	21,706	(111)	-1%
Number of outpatient	157,380	164,093	(6,713)	-4%
Inpatient days	64,935	68,494	(3,559)	-5%
Occupancy rate	56%	60%	-4%	-7%
Average length of stay	3.01	3.16	(0.15)	-5%
Number of bed	297	297	-	-
Average revenue per inpatient	2,123	2,104	19	1%

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 2017 versus Q3 2017

	Q4 2017	Q3 2017	Changes	
	RM'000	RM'000	RM'000	%
<u>REVENUE</u>				
Plantation	72,007	67,520	4,487	7%
Healthcare	49,145	46,604	2,541	5%
Total revenue	121,152	114,124	7,028	6%
<u>PROFIT/(LOSS) BEFORE TAX</u>				
Plantation	21,148	17,849	3,299	18%
Healthcare	2,479	6,858	(4,379)	-64%
Others	(2)	(4)	2	50%
Adjusted EBITDA	23,625	24,703	(1,078)	-4%
Unrealised loss on foreign exchange of investment in fixed income securities	(14,700)	(8,400)	(6,300)	-75%
Reversal of impairment losses/(impairment losses)	19,712	(391)	20,103	5141%
(Loss)/gain on disposal of property, plant & equipment	(10)	1,200	(1,210)	-101%
EBITDA	28,627	17,112	11,515	67%
Depreciation & amortisation	(14,277)	(9,497)	(4,780)	-50%
Interest income	10,640	9,371	1,269	14%
Finance cost	(7,832)	(5,379)	(2,453)	-46%
Profit before tax	17,158	11,607	5,551	48%

The Group's revenue for the three months ended 31 December 2017 was higher by 6% compared to the immediate preceding quarter mainly due to stronger crop production and higher Healthcare revenue.

PLANTATION DIVISION

The Plantation Division recorded higher revenue by 7% contributed by:

- a) Higher CPO and PK productions by 18% and 29% respectively; and
- b) Higher PK price by 17%, partly offset with lower CPO price by 2%.

Adjusted EBITDA or operating profit, for the Plantation division was higher by 18% compared to the immediate preceding quarter, underpinned by the higher crop production and mixed palm products selling prices.

16. Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter (cont'd.)

Individual quarter - Q4 2017 versus Q3 2017 (cont'd.)

Below are the key operating statistics for Plantation division:

Plantation Statistics	Q4 2017	Q3 2017	Changes	%
CPO production (mt)	26,138	22,069	4,069	18%
PK production (mt)	7,136	5,538	1,598	29%
FFB production (mt)	145,705	119,272	26,433	22%
CPO average price (RM)	2,695	2,752	(57)	-2%
PK average price (RM)	2,760	2,363	397	17%
Mature area (hectare)	35,459	35,808	(349)	-1%
Immature area (hectare)	8,804	8,509	295	3%
Oil extraction rate (OER)	17.83%	18.86%	-1.03%	-5%
Kernel extraction rate (KER)	4.89%	4.73%	0.16%	3%

HEALTHCARE DIVISION

The Healthcare Division, recorded higher revenue by 5% mainly due to higher revenue per patient by 6% compared to the immediate preceding quarter.

Healthcare division's adjusted EBITDA was lower by 64% mainly due to higher cost of sales by RM2.6 million and higher administrative expenses by RM1.2 million.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q4 2017	Q3 2017	Changes	%
Number of inpatient	5,419	5,484	(65)	-1%
Number of outpatient	38,783	40,053	(1,270)	-3%
Inpatient days	16,144	16,537	(393)	-2%
Occupancy rate	56%	56%	-	-
Average length of stay	2.98	3.02	(0.04)	-1%
Number of bed	297	297	-	-
Average revenue per inpatient	2,260	2,125	135	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 price is expected to stabilised in coming months with the low palm oil production cycle during Q1 2018.

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 continuously committed with the sustainability agenda. In addition to the RSPO certification that has enabled us to enjoy good premium from the sale of our CSPO & CSPK, our estates and mills have been successfully obtained Malaysian Sustainable Palm Oil Certification during the quarter.

Healthcare

Challenging economic environment and entry of new players to the industry will continue to weigh on the Healthcare sector. Nevertheless, we are cautiously optimistic that our Healthcare Division growth will be supported by our capacity expansion and introduction of new service modalities.

The Group is cautiously optimistic of achieving satisfactory operating performance in FY2018.

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 2017.

19. Profit for the period

	Current period to date	
	31-Dec-17 RM'000	31-Dec-16 RM'000
The following amounts have been included in arriving at profit before tax:		
Interest expense	21,936	21,413
Profit from Al-Mudharabah	(8,217)	(6,997)
Interest income	(30,555)	(30,208)
Dividend income	(942)	(235)
Depreciation of property, plant and equipment	42,025	43,485
Gain on disposal of property, plant and equipment	(1,190)	(21)
Property, plant and equipment written off	832	3,131
Biological asset written off	471	-
Inventories written off	10,165	10
Impairment loss on trade and other receivables	1,822	3,033
(Reversal of impairment)/impairment of biological assets	(37,684)	5,535
Impairment of property, plant and equipment	11,305	41,702
Impairment of goodwill	6,012	2,956
Payables written back	(53)	-
Unrealised loss/(gain) on the foreign exchange of investment in fixed income securities	35,700	(24,150)
	<u>35,700</u>	<u>(24,150)</u>

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	
	31-Dec-17 RM'000	31-Dec-16 RM'000	31-Dec-17 RM'000	31-Dec-16 RM'000
Current income tax	8,744	8,290	23,325	19,206
Under provision of income tax in prior year	57	1,391	1,051	(1,239)
	<u>8,801</u>	<u>9,681</u>	<u>24,376</u>	<u>17,967</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	3,594	8,307	2,098	(1)
Relating to changes in Malaysia tax rates	-	4	-	-
Under provision of deferred tax	10,044	222	8,423	62
Income tax	<u>22,439</u>	<u>18,214</u>	<u>34,897</u>	<u>18,028</u>

Income tax was calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the period.

The effective tax rate of the Group for the current quarter and current period to date was higher than the statutory tax rate of the respective period principally due to certain expenses not deductible for tax purposes and reversal of deferred tax assets at Indonesian operation due to tax amnesty.

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

The Group recognised a profit of RM1.2 million recognised from sale of a shophouse during the current period.

22. Corporate proposals

i. 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 Terengganu 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%.

On 25 August 2017, TDM entered into a Supplemental Agreement ("Supplemental Agreement") to vary the clause in the HOA for the signing of the Shares Sale Agreement from within a period of 6 months to within a period of 12 months expiring 26 February 2018, from the date of the signing of the HOA on 27 February 2017. The extension is to facilitate TDM to complete the due diligence exercise undertaken on Ladang Rakyat.

On 26 February 2018, TDM announced that TDM and TI had, on 26 February 2018, entered into the Second Supplemental Agreement to the HOA ("Second Supplemental Agreement") to vary the clause in the HOA for the signing the Shares Sale Agreement from within a period of 12 months to within a period 24 months expiring on 26 February 2019, from the date of the signing of the HOA on 27 February 2017.

Pursuant to due diligence exercise undertaken on Ladang Rakyat, it is noted that some of Ladang Rakyat's assets have yet to obtain approval from the authorities. Hence, the extension of time by another 12 months up to 26 February 2019 is to facilitate Ladang Rakyat to procure the relevant approvals for some of its assets.

The Second Supplemental Agreement is supplemental to and shall be read together with the HOA and Supplemental Agreement.

The acquisition of additional equity in Ladang Rakyat is one of the moves adopted by the Group in line with its overall strategy of expanding plantation area in Malaysia.

ii. Recurrent related party transactions.

- a) Proposed Lease Renewal;
- b) Proposed Lease Formalisation for Setiu Lands;
- c) Proposed Lease Formalisation for Hulu Terengganu Lands; and
- d) Proposed Lease Formalisation for PN 3380, Lot 2523.

(Collectively be referred to as the "Proposals")

On 7 February 2018, TDM Berhad ("TDM or Company") announced that the Company is proposing to undertake the Proposals as follows;

- a) Proposed supplemental lease agreement with Perbadanan Memajukan Iktisad Negeri Terengganu ("PMINT") for the renewal of lease for a second term of 46 years on approximately 25,260.1849 acres of lands located in the district of Kemaman, Terengganu ("Proposed Lease Renewal");
- b) Proposed formalisation of lease agreement with PMINT for 99 years on approximately 4,167.7174 acres of lands located in the district of Setiu, Terengganu ("Proposed Lease Formalisation for Setiu Lands");

22. Corporate proposals (cont'd.)

ii. Recurrent related party transactions.

- c) Proposed formalisation of lease agreement with PMINT for 30 years and 40 years (where applicable) on approximately 2,653.9548 acres of lands located in the district of Hulu Terengganu, Terengganu ("Proposed Lease Formalisation for Hulu Terengganu Lands"); and
- d) Proposed formalisation of lease agreement with PMINT for 57 years on approximately 28.2689 acres of lands located in the district of Kemaman, Terengganu ("Proposed Lease Formalisation for PN 3380, Lot 2523").

The Proposals are subject to the following conditions precedent;

- a) The lease renewal and lease formalisation agreements are conditional upon approval of the shareholders of TDM at an extraordinary general meeting to be convened within a period of three (3) months commencing from the date of signing of any other extended period as may be agreed in writing by the parties, if required;
- b) The written consent from the Menteri Besar of Terengganu for the Proposed Lease formalisation for PN 3380, Lot 2523; and
- c) The written approval from then State Authority to vary the category of land use or express condition of the lease for PN 3380, Lot 2523.

23. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2016: 30 to 90 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	FY 2017	FY 2016
	RM'000	RM'000
Neither past due nor impaired	4,334	25,775
1 to 30 days past due not impaired	33,351	7,155
31 to 60 days past due not impaired	8,719	19,523
61 to 90 days past due not impaired	5,441	5,491
	47,511	32,169
Impaired	9,565	8,897
	61,410	66,841

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

23. Trade receivables (cont'd.)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM47,511,000 (2016: RM32,169,000) that are past due at the reporting date but not impaired.

Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movements of the allowance accounts used to record the impairment are as follows:

	Group	
	FY 2017	FY 2016
	RM'000	RM'000
Trade receivables-nominal amounts	9,565	8,897
Less: Allowance for impairment	<u>(9,565)</u>	<u>(8,897)</u>
	<u>-</u>	<u>-</u>

Receivables that are impaired (cont'd.)

Movement in allowance accounts:

	Group	
	FY 2017	FY 2016
	RM'000	RM'000
At 1 January	8,897	12,035
Charge for the year	1,822	3,033
Written off	<u>(1,154)</u>	<u>(6,171)</u>
At 31 December	<u>9,565</u>	<u>8,897</u>

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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

Details of the Group's borrowings as at 31 December 2017 and 31 December 2016 are as follows:

As at 31 December 2017

	Long term		Short term		Total borrowings	
	RM'000	IDR'000	RM'000	IDR'000	RM'000	IDR'000
Secured						
Bank loans	397,040	-	15,301	-	412,341	-
Bank overdraft	-	-	16,144	-	16,144	-
Obligation under the finance leases	3,256	-	2,855	-	6,111	-
	<u>400,296</u>	<u>-</u>	<u>34,300</u>	<u>-</u>	<u>434,596</u>	<u>-</u>
Unsecured						
Bank loans	42,500	-	-	-	42,500	-
IDR Notes	315,000	1,050,000,000	-	-	315,000	1,050,000,000
	<u>357,500</u>	<u>1,050,000,000</u>	<u>-</u>	<u>-</u>	<u>357,500</u>	<u>1,050,000,000</u>
	<u>757,796</u>	<u>1,050,000,000</u>	<u>34,300</u>	<u>-</u>	<u>792,096</u>	<u>1,050,000,000</u>

As at 31 December 2016

	Long term		Short term		Total borrowings	
	RM'000	IDR'000	RM'000	IDR'000	RM'000	IDR'000
Secured						
Bank loans	384,723	-	27,967	-	412,690	-
Bank overdraft	-	-	2,714	-	2,714	-
Obligation under the finance leases	5,387	-	2,783	-	8,170	-
	<u>390,110</u>	<u>-</u>	<u>33,464</u>	<u>-</u>	<u>423,574</u>	<u>-</u>
Unsecured						
Bank loans	50,000	-	-	-	50,000	-
IDR Notes	350,700	1,050,000,000	-	-	350,700	1,050,000,000
	<u>400,700</u>	<u>1,050,000,000</u>	<u>-</u>	<u>-</u>	<u>400,700</u>	<u>1,050,000,000</u>
	<u>790,810</u>	<u>1,050,000,000</u>	<u>33,464</u>	<u>-</u>	<u>824,274</u>	<u>1,050,000,000</u>

Weighted average effective interest rate of the Group borrowings is 5.69% (2016: 5.67%) per annum.

The unsecured Indonesian Rupiah Notes Programme ("IDR Notes") bears a fixed interest rate of 12% per annum, other Group borrowings are based on floating interest rate.

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

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 31 December 2017.

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

Memori Banding (Memorandum of Appeal) in relation to a suit filed by Ibu Suryati

Reference is made to our announcement dated 23 June 2017 in respect of the above suit.

On 13 November 2017, the Board of Directors of TDM has announced that its subsidiary, PT Rafi Kamajaya Abadi ("PTRKA") had on 9 November 2017 received a confirmation from its solicitors Messrs. M. Tamsil Sjoekoer Dan Rekan that Ibu Suryati ("Plaintiff") has filed her appeal to the decision of Pengadilan Negeri Sintang to Pengadilan Tinggi Kalimantan Barat, Pontianak.

The above appeal is in respect of the decision by Pengadilan Negeri Sintang on 22 June 2017 which had rejected all the Plaintiff's claims against PTRKA.

The Plaintiff's solicitors had served the Memori Banding ('Memorandum of Appeal') dated 20 September 2017 to PTRKA's solicitors on 30 October 2017. The Plaintiff stated in the Memori Banding that Majelis Hakim Pengadilan Negeri Sintang had erred in considering all relevant facts of the case in rejecting all her claims.

The Plaintiff appeals to the Pengadilan Tinggi Kalimantan Barat, Pontianak that:

- a. The Plaintiff is the lawful owner of three (3) pieces of lands approximately 15 hectares;
- b. The alleged act of PTRKA in clearing and planting the land with oil palms is an act against the Indonesian law;
- c. The Plaintiff has suffered losses due to the alleged activities by PTRKA;
- d. To allow the Conservatoir Beslaag (Sita Jaminan) order against PTRKA to stop all alleged activities over the disputed lands including transfer of the lands;
- e. The Defendant to pay compensation of all losses suffered by the Plaintiff due to the alleged land clearing activities by PTRKA (including Ganti Rugi 2 Makam/ 2 Graves Compensation) with total sum of IDR4,528,100,000 (approximately RM1,408,995.00);
- f. To pay a Dwangsom (Uang paksa) of IDR10,000,000 per day from the date this appeal was filed; and
- g. To bear all costs and expenses in relation to this suit.

PTRKA has sought legal advice on the aforesaid matter and its solicitors is of the view that PTRKA has a good defense to reject the appeal.

PTRKA's solicitors has filed the Kontra Banding (Reply to Appeal) at the Pengadilan Tinggi Kalimantan Barat. The case is now waiting for decision.

27. Dividend proposed

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

28. Earnings per share

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

	Individual Quarter		Cummulative Quarter	
	Current Quarter Ended 31-Dec-17	Preceding Quarter Ended 31-Dec-16	Current Quarter To date 31-Dec-17	Preceding Quarter To date 31-Dec-16
Profit for the period attributable to owners (RM'000)	(2,618)	(23,031)	22,730	20,128
Weighted average number of ordinary shares in issue for basic earnings per share computation ('000)	1,657,566	1,505,462	1,581,514	1,497,607
Earnings per ordinary share attributable to owners of the parent (sen)				
Basic	(0.16)	(1.53)	1.44	1.34

29. Realised and unrealised profits

	As at 31-Dec-17 RM'000	As at 31-Dec-16 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	295,967	327,518
- Unrealised profits	97,410	49,653
	<u>393,377</u>	<u>377,171</u>
Less: Consolidation adjustments	41,627	42,631
Total Group retained profits as per consolidated accounts	<u>435,004</u>	<u>419,802</u>

30. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 February 2018.

BY ORDER OF THE BOARD

WAN HASLINDA WAN YUSOFF
Company Secretary

Kuala Terengganu
27 February 2018