



# **TDM BERHAD**

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

**INTERIM FINANCIAL STATEMENTS  
30 SEPTEMBER 2012**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-12 RM'000	Preceding Year Corresponding Quarter 30-Sep-11 RM'000	Current Quarter To date 30-Sep-12 RM'000	Preceding Quarter To date 30-Sep-11 RM'000
<b>Continuing operations</b>				
Revenue	133,207	151,506	327,571	367,812
Cost of sales	(53,196)	(56,674)	(168,878)	(161,638)
<b>Gross profit</b>	<b>80,011</b>	<b>94,832</b>	<b>158,693</b>	<b>206,174</b>
<b>Other items of income</b>				
Interest income	852	1,477	3,699	3,200
Other income	3,029	2,311	5,440	5,930
<b>Other items of expense</b>				
Distribution costs	(2,319)	(2,435)	(5,232)	(5,651)
Administration expenses	(25,778)	(23,412)	(65,450)	(53,768)
Other expenses	(2,028)	(1,660)	(3,767)	(3,455)
Finance costs	(22)	(81)	(72)	(300)
<b>Profit before tax from continuing operations</b>	<b>53,745</b>	<b>71,032</b>	<b>93,311</b>	<b>152,130</b>
Income tax expense	(13,403)	(19,694)	(26,464)	(40,023)
<b>Profit from continuing operations, net of tax</b>	<b>40,342</b>	<b>51,338</b>	<b>66,847</b>	<b>112,107</b>
<b>Discontinued operation</b>				
Profit from discontinued operation, net of tax	-	868	-	2,044
<b>Profit for the period, net of tax</b>	<b>40,342</b>	<b>52,206</b>	<b>66,847</b>	<b>114,151</b>
<b>Other comprehensive income :</b>				
Available for sale investments' fair value movement	7	(14)	36	(10)
Foreign currency translation	(7,802)	2,460	(11,981)	1,490
<b>Other comprehensive income for the period, net of tax</b>	<b>(7,795)</b>	<b>2,446</b>	<b>(11,945)</b>	<b>1,480</b>
<b>Total comprehensive income for the period</b>	<b>32,547</b>	<b>54,652</b>	<b>54,902</b>	<b>115,631</b>

**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	<b>Current Year Quarter 30-Sep-12 RM'000</b>	<b>Preceding Year Corresponding Quarter 30-Sep-11 RM'000</b>	<b>Current Quarter To date 30-Sep-12 RM'000</b>	<b>Preceding Quarter To date 30-Sep-11 RM'000</b>
<b>Profit attributable to:</b>				
Owner of the parent	39,865	51,477	66,933	112,512
Non-controlling interest	477	729	(86)	1,639
	<b>40,342</b>	<b>52,206</b>	<b>66,847</b>	<b>114,151</b>
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	32,070	53,705	54,988	113,736
Non-controlling interest	477	947	(86)	1,895
	<b>32,547</b>	<b>54,652</b>	<b>54,902</b>	<b>115,631</b>
<b>Earnings per share (sen):</b>				
(a) Basic (Note 28)	16.22	21.87	27.53	48.34
(b) Diluted (Note 28)	16.18	21.53	27.44	47.83

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012**

	<b>Unaudited As at 30-Sep-12 RM'000</b>	<b>Audited As at 31-Dec-11 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment	619,509	582,250
Biological assets	528,245	501,803
Investment property	11,000	11,000
Goodwill	8,571	8,571
Other investments	4,700	4,700
Available for sale investments	176	151
	<b>1,172,201</b>	<b>1,108,475</b>
<b>Current assets</b>		
Inventories	29,740	23,151
Trade and other receivables	71,798	79,279
Prepayments	1,068	1,392
Tax recoverable	10,578	297
Cash and bank balances	204,712	224,524
	<b>317,896</b>	<b>328,643</b>
Assets of disposal group classified as held for sale	-	11,942
	<b>317,896</b>	<b>340,585</b>
<b>Total assets</b>	<b>1,490,097</b>	<b>1,449,060</b>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Borrowings	421	926
Trade and other payables	169,061	166,304
Tax payable	2,793	10,350
	172,275	177,580
Liabilities directly associated with disposal group classified as held for sale	-	5,616
	172,275	183,196
<b>Net current assets</b>	<b>145,621</b>	<b>157,389</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,084	1,142
Borrowings	19,974	564
Deferred tax liabilities	88,031	89,551
	109,089	91,257
<b>Total liabilities</b>	<b>281,364</b>	<b>274,453</b>
<b>Net assets</b>	<b>1,208,733</b>	<b>1,174,607</b>

**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012 (CONT'D)**

	<b>Unaudited As at 30-Sep-12 RM'000</b>	<b>Audited As at 31-Dec-11 RM'000</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	245,758	238,046
Share premium	83,187	64,069
Retained earnings	368,718	347,161
Other reserves	486,333	500,463
	1,183,996	1,149,739
<b>Non-controlling interests</b>	24,737	24,868
	<b>1,208,733</b>	<b>1,174,607</b>
<b>Total equity</b>		
<b>Total equity and liabilities</b>	<b>1,490,097</b>	<b>1,449,060</b>
 Net assets per share (RM)	4.92	4.93

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Attributable to owners of the parent										Non-controlling interests RM'000
	Equity attributable to owners of the parent RM'000	Non-distributable		Distributable		Non-distributable					
		Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total other reserves RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Fair value adjustment reserve RM'000		
<b>At 1 January 2012</b>	1,174,607	1,149,739	238,046	64,069	347,161	500,463	500,435	(1,119)	1,110	37	24,868
Total comprehensive income	54,902	54,988	-	-	66,933	(11,945)	-	(11,981)	-	36	(86)
<b>Transactions with owners</b>											
Issuance of ordinary shares pursuant to ESOS	9,105	9,105	3,863	5,242	-	-	-	-	-	-	-
Share options granted under ESOS	387	387	-	-	-	387	-	-	387	-	-
Exercise of ESOS	(2,136)	(2,136)	-	-	-	(2,136)	-	-	(2,136)	-	-
Acquisition of a new subsidiary	147	-	-	-	-	-	-	-	-	-	147
Issuance of ordinary shares pursuant to acquisition of asset	16,900	16,900	3,557	13,343	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to acquisition a subsidiary	825	825	292	533	-	-	-	-	-	-	-
Lapsed of ESOS pursuant to disposal of a subsidiary	(436)	(436)	-	-	-	(436)	-	-	(436)	-	-
Dividends paid on ordinary shares	(45,568)	(45,376)	-	-	(45,376)	-	-	-	-	-	(192)
Total transactions with owners	(20,776)	(20,730)	7,712	19,118	(45,376)	(2,185)	-	-	(2,185)	-	(45)
<b>At 30 September 2012</b>	1,208,733	1,183,996	245,758	83,187	368,718	486,333	500,435	(13,100)	(1,075)	73	24,737
<b>At 1 January 2011 (previously stated)</b>	727,354	709,135	225,572	45,945	229,271	208,347	205,481	(1,793)	4,626	33	18,219
Prior year adjustment	(275)	(275)	-	-	(275)	-	-	-	-	-	-
<b>At 1 January 2011 (restated)</b>	727,079	708,860	225,572	45,945	228,996	208,347	205,481	(1,793)	4,626	33	18,219
Total comprehensive income	115,631	113,736	-	-	112,512	1,224	-	1,234	-	(10)	1,895
<b>Transactions with owners</b>											
Issuance of ordinary shares pursuant to ESOS	16,575	16,575	7,245	9,330	-	-	-	-	-	-	-
Share options granted under ESOS	1,041	1,041	-	-	-	1,041	-	-	1,041	-	-
Issuance of ordinary shares pursuant to acquisition of new subsidiary	9,900	9,900	3,498	6,402	-	-	-	-	-	-	-
Exercise of ESOS	(4,141)	(4,141)	-	-	-	(4,141)	-	-	(4,141)	-	-
Loss on accretion interest	-	(217)	-	-	(217)	-	-	-	-	-	217
Dividends paid on ordinary shares	(38,268)	(38,268)	-	-	(38,268)	-	-	-	-	-	-
Total transactions with owners	(14,893)	(15,110)	10,743	15,732	(38,485)	(3,100)	-	-	(3,100)	-	217
<b>At 30 September 2011</b>	827,817	807,486	236,315	61,677	303,023	206,471	205,481	(559)	1,526	23	20,331

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 30 SEPTEMBER 2012**

	<b>Period Ended</b>	
	<b>30-Sep-12</b>	<b>30-Sep-11</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	93,311	152,130
Profit before tax from discontinued operation	-	2,044
Adjustments for:		
Interest expense	80	386
Depreciation of property, plant and equipment	20,876	14,750
Gain on disposal of property, plant and equipment	(115)	(211)
Amortisation of livestocks	-	416
Inventories written off	37	-
Impairment loss on trade and other receivables	805	596
Dividend income	(2,036)	(2)
Interest income	(3,699)	(3,200)
Share options granted under ESOS	387	1,041
Bad debts written off	2,642	51
Impairment loss on trade and other receivables written back	-	(18)
Trade and other payables written back	-	(1,928)
Property, plant and equipment written off	5	24
Gain on disposal of a subsidiary	(404)	-
Provision for retirement benefit obligations	(58)	-
Other payables written back	(503)	-
Gain on liquidation of a subsidiary	-	(152)
Total adjustments	<u>18,017</u>	<u>11,753</u>
Operating profit before working capital changes	<u>111,328</u>	<u>165,927</u>
<u>Changes in working capital</u>		
Increase in inventories	(8,512)	(7,884)
Decrease in receivables	7,062	6,556
(Decrease)/Increase in payables	(6,132)	4,534
Total changes in working capital	<u>(7,582)</u>	<u>3,206</u>
Cash from operations	103,746	169,134
Interest paid	(80)	(386)
Interest received	3,699	3,200
Taxes paid	(45,740)	(30,538)
Retirement benefits paid	-	(89)
Net cash generated from operating activities	<u>61,625</u>	<u>141,320</u>

**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012 (CONT'D)**

	Period Ended	
	30-Sep-12 RM'000	30-Sep-11 RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(58,009)	(32,651)
Addition of livestock	-	(425)
Addition of plantation development expenditure	(24,602)	(31,297)
Dividend received	1,527	2
Proceeds from disposal of property, plant and equipment	115	351
Proceeds from disposal of a subsidiary	1,375	-
Acquisition of a subsidiary	-	(10,643)
Proceeds from liquidation of a subsidiary	-	152
Net cash used in investing activities	<u>(79,594)</u>	<u>(74,511)</u>
<b>Cash flows from financing activities</b>		
Drawdown of term loans	19,673	-
Repayment of term loans	(141)	(1,645)
Repayment of hire purchase facilities	(562)	(857)
Proceeds from issuance of ordinary shares	24,855	12,434
Proceeds from bankers' acceptances and trust receipts	-	4,106
Repayments of bankers' acceptances and trust receipts	-	(4,223)
Dividend paid	(45,568)	(38,268)
Net cash used in financing activities	<u>(1,743)</u>	<u>(28,453)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(19,712)	38,357
<b>Cash and cash equivalents at beginning of the period</b>	224,424	176,100
<b>Cash and cash equivalents at end of the period</b>	<u>204,712</u>	<u>214,457</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash on hand and at banks	70,526	62,213
Deposits with licensed banks	134,186	152,404
Cash and bank balances	204,712	214,617
Less: Bank overdraft	-	(160)
Cash and cash equivalents	<u>204,712</u>	<u>214,457</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2011. 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 2011.

**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 2011.

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 2013. The Group falls within the scope definition of Transitioning Entities, has decided to apply as Transitioning Entities and adopt Financial Reporting Standards ("FRS") Framework for the current reporting period.

**3. Declaration of audit qualification**

The preceding annual financial statements for the year ended 31 December 2011 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 September 2012.

**TDM BERHAD** (Company No 6265-P)  
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**Explanatory Notes Pursuant to FRS 134**

**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, except for :

1. Issuance of 291,519 new ordinary shares of RM1.00 each pursuant to part of settlement consideration for the acquisition of 100% of the issued and paid up share capital of TDMC Hospital Sdn Bhd by TDM Berhad.
2. Issuance of new shares ordinary shares of RM1.00 each pursuant to the Employees Share Option Scheme ("ESOS") of the company:

No.	Option price per share RM	No. of Share issued	Cash proceeds RM
1	1.61	30,600	49,266
2	1.90	30,835	58,587
3	2.55	5,500	14,025
<b>Total</b>		<b>66,935</b>	<b>121,878</b>

**8. Dividends paid**

No dividend paid in the current quarter under review.

**9. Segmental reporting**

	<b>PLANTATION RM'000</b>	<b>HEALTH RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>3 months ended 30 September 2012</b>				
<b>Revenue</b>				
Total revenue	138,415	26,574	-	164,989
Intersegment-revenue	(30,431)	(1,351)	-	(31,782)
External revenue	107,984	25,223	-	133,207
Segment result (external)	52,515	1,224	7	53,746
Profit before taxation				53,746
<b>3 months ended 30 September 2011</b>				
<b>Revenue</b>				
Total revenue	155,823	23,904	-	179,727
Intersegment-revenue	(27,165)	(1,056)	-	(28,221)
External revenue	128,658	22,848	-	151,506
Segment result (external)	67,969	3,014	49	71,032
Profit before taxation				71,032

**TDM BERHAD** (Company No 6265-P)  
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**Explanatory Notes Pursuant to FRS 134**

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

	<b>PLANTATION RM'000</b>	<b>HEALTH RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>9 months ended 30 September 2012</b>				
<b>Revenue</b>				
Total revenue	304,443	82,995	-	387,438
Intersegment-revenue	(55,632)	(4,235)	-	(59,867)
External revenue	<u>248,811</u>	<u>78,760</u>	-	<u>327,571</u>
Segment result (external)	86,959	6,596	(244)	<u>93,311</u>
Profit before taxation				<u>93,311</u>
<b>9 months ended 30 September 2011</b>				
<b>Revenue</b>				
Total revenue	369,702	69,150	-	438,852
Intersegment-revenue	(67,851)	(3,189)	-	(71,040)
External revenue	<u>301,851</u>	<u>65,961</u>	-	<u>367,812</u>
Segment result (external)	143,567	8,512	51	<u>152,130</u>
Profit before taxation				<u>152,130</u>

	<b>PLANTATION RM'000</b>	<b>HEALTH RM'000</b>	<b>FOOD RM'000</b>	<b>OTHERS RM'000</b>	<b>GROUP RM'000</b>
<b>Total assets</b>					
30 September 2012	<u>1,321,101</u>	<u>166,017</u>	<u>-</u>	<u>2,979</u>	<u>1,490,097</u>
31 December 2011	<u>1,301,120</u>	<u>133,833</u>	<u>11,942</u>	<u>2,165</u>	<u>1,449,060</u>
<b>Total liabilities</b>					
30 September 2012	<u>204,689</u>	<u>75,192</u>	<u>-</u>	<u>1,483</u>	<u>281,364</u>
31 December 2011	<u>248,752</u>	<u>20,074</u>	<u>5,616</u>	<u>11</u>	<u>274,453</u>

**10. Valuation on non-current assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2011.

**11. Significant event**

- i) On 13 July 2012, TDM Berhad ("TDM") had announced that all terms and conditions of the Share Sale Agreement dated 1 April 2011 between TDM Berhad with Intercontinental Nominees Sdn Bhd and Cekal Teguh Sdn Bhd has been fully satisfied. Therefore, the balance of the purchase consideration payable via the issuance of 291,519 new TDM shares have been issued and the proposed acquisition is completed.

**TDM BERHAD** (Company No 6265-P)  
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**Explanatory Notes Pursuant to FRS 134**

**11. Significant event (cont'd.)**

- ii) On 18 September 2012, TDM had announced that the disposal of TDM's investments in its wholly-owned subsidiary, TD Poultry Sdn Bhd had been completed.

**12. Material subsequent event**

TDM on 3 October 2012 had announced that the following dormant subsidiaries have been placed under members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act, 1965:

- 1) TDM Properties Bhd;
- 2) TD Ijarah Sdn Bhd;
- 3) TDM Helling Sdn Bhd;
- 4) TRP Industries Sdn Bhd;
- 5) KLLT Fibres Sdn Bhd;
- 6) Trengganu Rubber Processing Sdn Bhd;
- 7) World Wide Rubber Marketing Sdn Bhd;
- 8) TD Permatang Sdn Bhd;
- 9) HMMC (Ampang) Sdn Bhd;

***(Collectively known as "subsidiaries")***

Mr Heng Ji Keng and Mr Michael Joseph Monteiro of Ferrier Hodgson MH Sdn Bhd, Baker Tilly have been appointed as liquidators of the Subsidiaries.

The Subsidiaries are currently dormant and there are no future plans to activate these companies. The winding up of the Subsidiaries is in line with TDM Group's efforts to streamline and rationalise its core business.

**13. Changes in the composition of the Group**

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

**14. Capital commitments**

Capital commitments as at period ended 30 September 2012 are as follows:

	<b>RM '000</b>
Authorised by the Directors and contracted	66,729
Authorised by the Directors but not contracted	60,500
	<hr/> <b>127,229</b> <hr/>

**15. 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.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT**

**16. Review of the performance of the Group, setting out material factors affecting the earnings and/or revenue of the Group for the current quarter and financial year to date**

**Individual quarter - Q3 2012 versus Q3 2011**

Group revenue of RM133.2 million for the current quarter ended 30 September 2012 was 12% lower than that reported in the previous corresponding quarter. Profit before tax decreased by 24% to RM53.7 million, mainly due to lower production and price of both CPO and PK compared to the previous quarter.

Plantation Division

During the quarter under review, the division registered lower revenue and PBT by 16% and 23% respectively, compared to the previous corresponding quarter due to:

- i) Lower production of CPO and PK by 8% and 2% respectively;
- ii) Lower of average price of CPO and PK by 5% and 22% respectively.

The average selling prices realised are as follows:

Average Price	Q3'12	Q3'11
CPO (RM/mt)	2,999	3,152
PK (RM/mt)	1,681	2,148

Healthcare Division

For the current quarter, the Healthcare Division's revenue increased by 10% contributed by 2% growth in the number of patients seeking treatment at our hospital.

The recently acquired TDMC Hospital posted healthy increased in revenue by 69% during the quarter, compared to same period last year.

PBT for the Healthcare Division's decreased by 59% compared to the same quarter last year due to higher operating cost for the upgrading of services quality to improve its quality of services to the community.

**Cumulative quarter - Q3 2012 versus Q3 2011**

Group revenue of RM327.6 million in the nine month ended 30 September 2012 was 11% lower than that reported in the previous corresponding period. Profit before taxation decreased by 39% to RM93.3 million, compared to RM152.1 million in the previous corresponding period.

Plantation Division

The Plantation Division's revenue and profit before tax for the current period decreased by 18% and 39% respectively, compared to the previous year contributed by:

- i) Lower production of CPO and PK by 10% and 5% respectively.
- ii) Lower average CPO & PK prices by 6% and 23% respectively.

The average selling prices realised are as follows:

Average Price	CQ3'12	CQ3'11
CPO (RM/mt)	3,133	3,327
PK (RM/mt)	1,821	2,366

- iii) Higher production cost due to higher labour cost from incentive payment RM200per month for eligible plantation workers and mill maintenance.
- iv) Higher depreciation cost mainly from recent revaluation of non-current asset.

**16. 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 - Q3 2012 versus Q3 2011 (cont'd)**

Healthcare Division

The Healthcare Division registered 19% increase in revenue to RM78.8 million from RM66.0 million for the current period as compared to previous period contributed by 16% growth in number of patients seeking treatment at our hospitals.

The Healthcare Division's operational profit decreased by 9% compared to the same period last year due to higher operating cost. However, PBT decreased by 23% mainly due to payable write back of RM0.8 million and discount received on amount payable to creditors of RM1 million made in the same period last year.

**17. Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter**

**Individual quarter - Q3 2012 versus Q2 2012**

Group profit before tax for the quarter under review was higher by RM40.0 million or 289% compared to the preceding quarter.

This is mainly due to higher production of CPO and PK in Q3 2012 by 75% and 78% during the quarter compared to Q2 2012.

**18. 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**

Based on the current scenario of a weak global economy and prevailing prices of commodities, the Group expects lower profit for the current financial year compared the previous year.

However, the Group expects to continue to record satisfactory performance this year.

**19a. 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.

**19b. Explanatory note for any shortfall in the profit guarantee**

There was no profit guarantee issued for the period ended 30 September 2012.

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(Incorporated in Malaysia)

**20. Profit for the period**

	<b>Current year to date</b>	
	<b>30-Sep-12 RM'000</b>	<b>30-Sep-11 RM'000</b>
<b>The following amounts have been included in arriving at profit before tax:</b>		
Interest expense	80	386
Interest income	(3,699)	(3,200)
Dividend income	(2,036)	(2)
Depreciation of property, plant and equipment	20,876	14,750
Amortisation of livestocks	-	416
Bad debts written off	2,642	51
Inventories written off	37	-
Impairment loss on trade and other receivables	805	596
Impairment loss on trade and other receivables written back	-	(18)
	<u>18,705</u>	<u>12,979</u>

Saved as disclosed above as required under Appendix B, Part A(16) of the Bursa Listing Requirements are not applicable.

**21. 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 Year To date</b>	
	<b>30-Sep-12 RM'000</b>	<b>30-Sep-11 RM'000</b>	<b>30-Sep-12 RM'000</b>	<b>30-Sep-11 RM'000</b>
Current income tax	13,611	19,433	26,918	39,836
Under/(over) provision of income tax in prior year	261	789	557	424
	<u>13,872</u>	<u>20,222</u>	<u>27,475</u>	<u>40,260</u>
Deferred tax	(240)	399	(560)	833
Over provision of deferred tax	(229)	(927)	(451)	(1,070)
	<u>13,403</u>	<u>19,694</u>	<u>26,464</u>	<u>40,023</u>

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

The effective tax rate of the Group for the current and previous corresponding periods were higher than the statutory tax rate of the respective year principally due to certain expenses which were not deductible for the purposes.

**22. Amount of profits on sale of unquoted investments or properties**

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

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**23. Corporate proposals**

Not applicable.

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

Details of the Group's borrowings as at 30 September 2012 are as follows :

<u>Secured</u>	Short-term RM'000	Long-term RM'000	Total RM'000
<b>Continuing operations</b>			
-Term loans	187	19,891	20,078
-Hire purchase payables	234	83	317
	421	19,974	20,395

**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 30 September 2012.

**26. 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 2011.

**27. Dividend proposed**

No dividend has been proposed for the current 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			Preceding Quarter Corresponding To date 30.9.2011
	Current Quarter Ended 30.9.2012	Preceding Year Corresponding Period 30.9.2011	Current Year To date 30.9.2012	
<b>Basic</b>				
Profit from continuing operations for the period attributable to owners of the parent (RM'000)	39,865	50,609	66,933	110,468
Profit from discontinued operations for the period attributable to owners of the parent (RM'000)	-	868	-	2,044
Profit for the period attributable to owners of the parent (RM'000)	39,865	51,477	66,933	112,512
Weighted average number of ordinary shares in issue ('000)	245,758	235,394	243,147	232,775
Basic earnings per ordinary share for (sen)				
- Continuing operations	16.22	21.50	27.53	47.46
- Discontinued operation	-	0.37	-	0.88
Basic earnings per ordinary share for attributable to owners of the parent	16.22	21.87	27.53	48.34



**28. Earnings per share (cont'd)**

	Individual Quarter		Current Quarter To date 30.9.2012	Preceding Quarter To date 30.9.2011
	Current Quarter Ended 30.9.2012	Preceding Year Corresponding Period 30.9.2011		
<b>Diluted</b>				
Profit from continuing operations for the period attributable to owners of the parent (RM'000)	39,865	50,609	66,933	110,468
Profit from discontinued operations for the period attributable to owners of the parent (RM'000)	-	868	-	2,044
Profit for the period attributable to owners of the parent (RM'000)	<u>39,865</u>	<u>51,477</u>	<u>66,933</u>	<u>112,512</u>
Weighted average number of ordinary shares in issue ('000)	245,758	235,394	243,147	232,775
Adjustment for share options	665	3,829	772	2,439
Weighted average number of shares - diluted	246,423	239,223	243,919	235,214
Diluted earnings per ordinary share for (sen)				
- Continuing operations	16.18	21.16	27.44	46.96
- Discontinued operation	-	0.37	-	0.87
Diluted earnings per ordinary share for attributable to owners of the parent	<u>16.18</u>	<u>21.53</u>	<u>27.44</u>	<u>47.83</u>

**29. Realised and unrealised profits**

	As at 30-Sep-12 RM'000	As at 31-Dec-11 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	211,839	982,928
- Unrealised profits	<u>156,879</u>	<u>166,811</u>
Total Group retained profits as per consolidated accounts	<u>368,718</u>	<u>1,149,739</u>

**30.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 November 2012.

**BY ORDER OF THE BOARD**

YEAP KOK LEONG  
Company secretary

Kuala Lumpur  
28 November 2012