



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
31 DECEMBER 2013**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Dec-13 RM'000	Preceding Year Corresponding Quarter 31-Dec-12 RM'000	Current Quarter To date 31-Dec-13 RM'000	Preceding Quarter To date 31-Dec-12 RM'000
Revenue	98,290	128,249	370,718	455,258
Cost of sales	(47,544)	(57,452)	(217,425)	(226,330)
Gross profit	50,746	70,797	153,293	228,928
Other items of income				
Interest income	1,330	1,418	7,386	5,117
Other income	13,444	20,732	20,172	26,172
Other items of expense				
Distribution costs	(1,694)	(2,702)	(7,061)	(7,934)
Administration expenses	(25,172)	(30,482)	(93,505)	(95,932)
Other expenses	(4,585)	(3,467)	(13,089)	(7,234)
Finance costs	(17)	(20)	(71)	(92)
Profit before tax	34,052	56,276	67,125	149,025
Income tax expenses	(8,885)	(19,205)	(22,409)	(45,669)
Profit for the period, nett of tax	25,167	37,071	44,716	103,356
Other comprehensive income :				
Available for sale investments' fair value movement	4	(92)	8	(56)
Nett loss of measurement of defined benefit liability	(1,663)	-	(1,663)	-
Revaluation surplus	22,449	9,587	22,449	9,587
Deferred tax impact related on revaluation:				
- Deferred tax on revaluation	(5,810)	-	(5,810)	-
- Deferred tax on change in tax rate	3,181	-	3,181	-
Foreign currency translation	23,274	(1,652)	(1,069)	(13,633)
Other comprehensive income/(loss) for the period, nett of tax	41,435	7,843	17,096	(4,102)
Total comprehensive income for the period	66,602	44,914	61,812	99,254



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Current Year Quarter 31-Dec-13 RM'000	Preceding Year Corresponding Quarter 31-Dec-12 RM'000	Current Quarter To date 31-Dec-13 RM'000	Preceding Quarter To date 31-Dec-12 RM'000
Profit attributable to:				
Owner of the parent	25,635	36,037	45,297	102,408
Non-controlling interest	(468)	1,034	(581)	948
	25,167	37,071	44,716	103,356
Total comprehensive income attributable to:				
Owner of the parent	67,070	43,880	62,393	98,306
Non-controlling interest	(468)	1,034	(581)	948
	66,602	44,914	61,812	99,254
Earnings per share (sen):				
(a) Basic (Note 28)	1.73	14.66	3.06	41.67
(b) Diluted (Note 28)	-	14.62	-	41.53

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	Unaudited As at 31-Dec-13 RM'000	Audited As at 31-Dec-12 RM'000
Assets		
Non-current assets		
Property, plant & equipment	744,949	630,575
Biological assets	597,259	541,423
Investment property	11,000	11,000
Goodwill	9,959	9,959
Other investments	204,290	4,700
Investment securities	85	95
	<u>1,567,542</u>	<u>1,197,752</u>
Current assets		
Inventories	36,721	33,982
Trade and other receivables	54,059	66,558
Prepayments	1,755	1,029
Tax recoverable	2,144	3,305
Cash and bank balances	101,224	212,554
	<u>195,903</u>	<u>317,428</u>
Total assets	<u>1,763,445</u>	<u>1,515,180</u>
Current liabilities		
Borrowings	1,147	339
Trade and other payables	136,448	123,528
Tax payable	8,549	11,714
	<u>146,144</u>	<u>135,581</u>
Nett current assets	<u>49,759</u>	<u>181,847</u>
Non-current liabilities		
Retirement benefit obligations	3,046	1,308
Borrowings	273,409	30,074
Deferred tax liabilities	89,839	88,759
	<u>366,294</u>	<u>120,141</u>
Total liabilities	<u>512,438</u>	<u>255,722</u>
Nett assets	<u>1,251,007</u>	<u>1,259,458</u>

TDM BERHAD (Company No 6265-P)
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Unaudited As at 31-Dec-13 RM'000	Audited As at 31-Dec-12 RM'000
Equity attributable to owners of the parent		
Share capital	296,332	245,767
Share premium	33,064	80,908
Retained earnings	413,840	424,536
Other reserves	501,107	483,056
	1,244,343	1,234,267
Non-controlling interests	6,664	25,191
Total equity	1,251,007	1,259,458
Total equity and liabilities	1,763,445	1,515,180
 Nett assets per share (RM)	0.84	5.12

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Attributable to owners of the parent												Non-controlling interests RM'000
	Equity attributable to owners of the parent		Non-distributable		Distributable		Non-distributable					Transaction with non-controlling interest RM'000	
			Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total other reserves RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Fair value adjustment reserve RM'000			
Total equity RM'000	RM'000												
At 1 January 2013													
As previously stated	1,259,458	1,234,267	245,767	80,908	424,536	483,056	497,150	(14,752)	677	(19)	-	-	25,191
Profit for the year	44,716	45,297	-	-	45,297	-	-	-	-	-	-	-	(581)
Other comprehensive income	17,096	17,096	-	-	(1,663)	18,759	19,820	(1,069)	-	8	-	-	-
Total comprehensive income	61,812	62,393	-	-	43,634	18,759	19,820	(1,069)	-	8	-	-	(581)
Transactions with owners													
Lapsed of ESOS	(4)	(4)	-	-	-	(4)	-	-	(4)	-	-	-	-
Exercise of ESOS	2,048	2,048	1,176	1,545	-	(673)	-	-	(673)	-	-	-	-
Issuance of shares pursuant to bonus issue	-	-	49,389	(49,389)	-	-	-	-	-	-	-	-	-
Acquisition of additional ownership in subsidiary	(17,651)	(31)	-	-	-	(31)	-	-	-	-	(31)	-	(17,620)
Dividends paid on ordinary shares	(54,656)	(54,330)	-	-	(54,330)	-	-	-	-	-	-	-	(326)
Total transactions with owners	(70,263)	(52,317)	50,565	(47,844)	(54,330)	(708)	-	-	(677)	-	(31)	-	(17,946)
At 31 December 2013	1,251,007	1,244,343	296,332	33,064	413,840	501,107	516,970	(15,821)	0	(11)	(31)	-	6,664
At 1 January 2012													
As previously stated	1,174,607	1,149,739	238,046	64,069	347,161	500,463	500,435	(1,119)	1,110	37	-	-	24,868
Opening balance as at 1 January	7,471	7,471	-	-	20,343	(12,872)	(12,872)	-	-	-	-	-	-
Total comprehensive income	1,182,078	1,157,210	238,046	64,069	367,504	487,591	487,563	(1,119)	1,110	37	-	-	24,868
At 1 January 2012 (restated)	99,254	98,306	-	-	102,408	(4,102)	9,587	(13,633)	-	(56)	-	-	948
Total comprehensive income													
Transactions with owners													
Share options granted under ESOS	516	516	-	-	-	516	-	-	516	-	-	-	-
Exercise of ESOS	6,997	6,997	3,871	3,639	-	(513)	-	-	(513)	-	-	-	-
Share issued for acquisition of an asset	14,837	14,837	3,558	11,279	-	-	-	-	-	-	-	-	-
Share issued for acquisition of a subsidiary	825	825	292	533	-	-	-	-	-	-	-	-	-
Adjustment on cost of business combination for acquisition of a subsidiary	1,388	1,388	-	1,388	-	-	-	-	-	-	-	-	-
Acquisition of new subsidiary	148	-	-	-	-	-	-	-	-	-	-	-	148
Lapsed of ESOS pursuant to disposal of a subsidiary	(436)	(436)	-	-	-	(436)	-	-	(436)	-	-	-	-
Dividends paid on ordinary shares	(46,149)	(45,376)	-	-	(45,376)	-	-	-	-	-	-	-	(773)
Total transactions with owners	(21,874)	(21,249)	7,721	16,839	(45,376)	(433)	-	-	(433)	-	-	-	(625)
At 31 December 2012	1,259,458	1,234,267	245,767	80,908	424,536	483,056	497,150	(14,752)	677	(19)	-	-	25,191

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	Year Ended	
	31-Dec-13	31-Dec-12
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	67,125	149,025
Adjustments for:		
Interest expense	71	92
Depreciation of property, plant and equipment	28,928	28,375
Property, plant and equipment written off	139	5
Inventories written off	-	37
Impairment loss on receivables	925	473
Reversal of impairment loss on trade receivables	-	(17)
Bad debts written off	16	1,782
Payables written back	(204)	(1,637)
Write back of interest payable to a related corporation	-	(15,559)
Dividend income	(599)	(2,053)
Gain on disposal of a subsidiary	-	(744)
(Gain)/loss on voluntary winding up of a subsidiary	(1,577)	5,045
Gain on disposal of property, plant and equipment	(8)	-
Gain on disposal of other investment	(272)	-
Interest income	(7,386)	(5,117)
Gain on fair value changes of embedded derivative	(3,536)	-
(Reversal of)/provision for short term accumulating compensated absences	66	(25)
Provision for retirement benefit obligations	132	245
Other receivables written off	625	-
Share options (lapsed)/granted under ESOS	(65)	516
Total adjustments	17,255	11,418
Operating profit before working capital changes	84,380	160,443
<u>Changes in working capital</u>		
Increase in inventories	(2,739)	(10,868)
Decrease in receivables	16,949	26,812
Decrease in payables	(7,932)	(4,758)
Total changes in working capital	6,278	11,186
Cash flows from operations	90,658	171,629
Interest paid	(71)	(92)
Interest received	7,386	5,117
Taxes paid	(22,900)	(56,638)
Retirement benefits paid	(72)	(79)
Net cash flows from operating activities	75,001	119,937

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT'D)**

	Year Ended	
	31-Dec-13	31-Dec-12
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(119,113)	(86,224)
Addition of plantation development expenditure	(51,667)	(39,620)
Dividend received	599	2,053
Acquisition of ownership in subsidiary	(12,653)	-
Nett cash inflow on disposal of a subsidiary	-	1,329
Nett cash outflow from members voluntary winding up of subsidiaries	-	(1,093)
Proceed from disposal of property plant and equipment	10	-
Proceeds from disposal of a subsidiary	2,000	-
Subscription of structured notes	(196,053)	-
Nett cash flows used in investing activities	<u>(376,877)</u>	<u>(123,555)</u>
Cash flows from financing activities		
Proceeds from loans and borrowings	244,613	29,834
Proceeds from issuance of ordinary shares	2,111	21,834
Repayment of term loans	(327)	(187)
Repayment of hire purchase facilities	(126)	(724)
Dividend paid	(54,656)	(45,376)
Nett cash flows from financing activities	<u>191,615</u>	<u>5,381</u>
Nett (decrease)/increase in cash and cash equivalents	(110,261)	1,763
Cash and cash equivalents at 1 January	212,554	224,424
Effect of foreign exchange rate changes	(1,069)	(13,633)
Cash and cash equivalents at 31 December	<u>101,224</u>	<u>212,554</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash on hand and at banks	28,459	43,290
Deposits with licensed banks	72,765	169,264
Cash and cash equivalents	<u>101,224</u>	<u>212,554</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)



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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 2012. 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 2012.

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 2012 except as follows:

Effective for annual periods beginning on or after 1 July 2012 and 1 January 2013

Amendments to FRS 101 Presentation of Items of Other Comprehensive Income
Amendments to FRS 101 Presentation of Items of Financial Statements (Improvement to FRS (2012))
FRS 9 Financial Instruments
FRS 10 Consolidated Financial Statements
FRS 11 Joint Arrangements
FRS 12 Disclosure of Interests in Other Entities
FRS 13 Fair Value Measurement
FRS 119 Employee Benefits
FRS 127 Separate Financial Statements
FRS 128 Investment in Associate and Joint Ventures
Amendments to FRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRS (2012))
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRS (2012))
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRS (2012))
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11: Joint Arrangements: Transition Guidance
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance

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 2014.

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 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amount reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profit.

3. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2012 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 2013.

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 the issuance of Indonesian Rupiah Notes Programme ("IDR Notes") by PT Rafi Kamajaya Abadi, a subsidiary of the Company.

The IDR Notes bear a fixed interest rate of 12% per annum and matures twelve years from the issue date of the first IDR Notes.

Explanatory Notes Pursuant to FRS 134

8. Dividends paid

No dividend paid in the current quarter under review.

9. Segmental reporting

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
3 months ended 31 December 2013				
Revenue				
Total revenue	123,799	32,138	-	155,937
Intersegment-revenue	(55,711)	(1,936)	-	(57,647)
External revenue	<u>68,088</u>	<u>30,202</u>	-	<u>98,290</u>
Segment result (external)	30,980	3,083	(11)	<u>34,052</u>
Profit before taxation				<u>34,052</u>
3 months ended 31 December 2012				
Revenue				
Total revenue	162,632	29,871	-	192,503
Intersegment-revenue	(62,308)	(1,946)	-	(64,254)
External revenue	<u>100,324</u>	<u>27,925</u>	-	<u>128,249</u>
Segment result (external)	53,432	2,833	11	<u>56,276</u>
Profit before taxation				<u>56,276</u>
	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
12 months ended 31 December 2013				
Revenue				
Total revenue	389,434	121,801	-	511,235
Intersegment-revenue	(133,781)	(6,736)	-	(140,517)
External revenue	<u>255,653</u>	<u>115,065</u>	-	<u>370,718</u>
Segment result (external)	54,066	13,060	(1)	<u>67,125</u>
Profit before taxation				<u>67,125</u>
12 months ended 31 December 2012				
Revenue				
Total revenue	467,076	112,866	-	579,942
Intersegment-revenue	(118,503)	(6,181)	-	(124,684)
External revenue	<u>348,573</u>	<u>106,685</u>	-	<u>455,258</u>
Segment result (external)	139,267	9,991	(233)	<u>149,025</u>
Profit before taxation				<u>149,025</u>

Explanatory Notes Pursuant to FRS 134

9. Segmental reporting (cont'd)

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
Total assets				
31 December 2013	1,536,373	224,586	2,486	1,763,445
31 December 2012	1,336,055	176,640	2,485	1,515,180
Total liabilities				
31 December 2013	381,157	129,840	1,441	512,438
31 December 2012	166,165	88,123	1,434	255,722

10. Valuation on non-current assets

Assets of the Group were revalued by independent valuers during the quarter under review. The revaluation surplus of RM22.5 million for property, plant and equipment and biological assets have been accounted for in other reserves and recognized in the financial statements for the year ended 31 December 2013.

11. Significant event

There were no material subsequent event of the Group for the financial period under review.

12. Material subsequent event

There were no material subsequent event of the Group for the financial period under review.

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 31 December 2013 are as follows:

	RM '000
Authorised by the Directors and contracted	71,140
Authorised by the Directors but not contracted	239,102
	<u>310,242</u>

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 - Q4 2013 versus Q4 2012

	Q4 2013	Q4 2012	Variance
	RM'000	RM'000	
Revenue			
Plantation	68,089	100,324	-32%
Healthcare	30,202	27,925	8%
Total	98,291	128,249	-23%
Profit Before Tax ("PBT")			
Plantation	30,980	53,432	-42%
Healthcare	3,083	2,833	9%
Total	34,063	56,265	-39%

Plantation Division

During the quarter, the plantation division registered lower PBT by RM22.4 million or 42%, compared to the previous quarter, mainly due to:

- a) Lower CPO and PK production by 21% and 19% respectively;
- b) Lower average price of CPO by 3%;

Average Price	Q4'13	Q4'12
CPO (RM/mt)	2,449	2,522
PK (RM/mt)	1,411	1,372

- c) Immature area expenses (from replanting programme) of RM3.9 million, compared to RM 2.8 million in the previous correspondence quarter; and
- d) Start-up losses at Indonesia operation of RM3.3 million.

Healthcare Division

During the quarter, the Healthcare Division recorded higher revenue and PBT by 8% and 9% respectively, compared to the previous quarter, mainly due to:

- a) Higher number of inpatient days by 10% from improved hospital case-mix of patient; and
- b) Improved performance of TDMC Hospital which saw revenue improved by 29% and PBT jumped by 139%.

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)

12 Months 2013 versus 12 Months 2012

	FY 2013	FY 2012	Variance
	RM'000	RM'000	
Revenue			
Plantation	255,653	348,573	-27%
Healthcare	115,065	106,685	8%
Total	370,718	455,258	-19%
Profit Before Tax ("PBT")			
Plantation	54,066	139,267	-61%
Healthcare	13,060	9,991	31%
Total	67,126	149,258	-55%

Plantation Division

The plantation division registered lower PBT by 61% compared to last year due to:

- a) Lower average price of CPO and PK by 20% and 23% respectively, have contributed to lower plantation revenue by 27% or RM92.9 million;

Average Price	FY'13	FY'12
CPO (RM/mt)	2,360	2,946
PK (RM/mt)	1,288	1,677

- b) Lower CPO and PK production by 12% and 13% respectively;
- c) Immature area expenses (from replanting programme) of RM11.6 million, compared to RM4.2 million in the previous corresponding period; and
- d) Start-up losses at Indonesia operation of RM9.6 million.

Healthcare Division

The Healthcare Division recorded higher revenue and PBT by 8% and 31% respectively compared to last year mainly due to:

- a) Higher number of inpatient days by 9% from improved hospital case-mix of patient; and
- b) Turnaround of TDMC Hospital which saw its revenue increased by 27% and PBT soared by 101%.

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 - Q4 2013 versus Q3 2013

The quarter under review recorded higher profit by 74%, compared to the preceding quarter due to:

- a) Higher average price of CPO and PK by 4% and 8% respectively;
- b) Higher production of CPO and PK by 1% and 14% respectively; and
- c) Higher other income by RM10.3 million from land compensation, insurance compensation claim and gain on fair value changes of embedded derivative.

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

The Group remains positive on the long term fundamentals of the industry and expect the FY 2014 performance to remain satisfactory.

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 quarter ended 31 December 2013.

20. Profit for the period

	Current period to date	
	31-Dec-13 RM'000	31-Dec-12 RM'000
The following amounts have been included in arriving at profit before tax:		
Interest expense	71	92
Interest income	(7,386)	(5,117)
Depreciation of property, plant and equipment	28,928	28,375
Bad debts written off	16	1,782
Impairment loss on receivables	925	473
Payables written back	(204)	(1,637)
Gain on disposal of a subsidiary	-	(744)
Gain on disposal of other investment	(272)	-
Gain on fair value changes of embedded derivative	(3,536)	-
Other receivables written off	625	-
	625	-

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

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21. 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-13 RM'000	31-Dec-12 RM'000	31-Dec-13 RM'000	31-Dec-12 RM'000
Current income tax	9,570	18,987	23,411	45,905
(Over)/under provision of income tax in prior year	(102)	(1)	597	556
	<u>9,468</u>	<u>18,986</u>	<u>24,008</u>	<u>46,461</u>
Deferred tax	(189)	5	(944)	(555)
(Over)/under provision of deferred tax	(394)	214	(655)	(237)
	<u>8,885</u>	<u>19,205</u>	<u>22,409</u>	<u>45,669</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 tax 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.

23. Corporate proposals

- a) The Board of Directors of TDM Berhad ("TDM" or "the Company") had on 8 November 2013 announced that the Company acquired 2 ordinary shares of RM1.00 each in Kumpulan Medic Iman Sdn. Bhd. ("KMDI"), representing the entire issued and paid-up share capital of KMDI, for a total cash consideration of RM2.00 ("the Acquisition").

KMDI was incorporated in Malaysia as a private limited company on 17 September 2013. The authorised share capital of KMDI is RM200,000,000.00 and its paid-up share capital is RM2.00. The principal activity of KMDI is investment holding and provision of consultancy and management services to specialist medical centres. Pursuant to the Acquisition, KMDI will become a wholly-owned subsidiary of TDM. The Acquisition will not have a material effect on the net assets and earnings of the TDM Group for the financial year ended 31 December 2013.

- b) On 4 December 2013, the Company had announced that Medi Air Sdn. Bhd. ("Medi Air"), a wholly owned subsidiary of Kumpulan Mediiman Sdn. Bhd., which is in turn a 90.49% owned subsidiary of TDM, has on 4 December 2013 been placed under members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act, 1965.

Mr Heng Ji Keng and Mr Michael Joseph Monteiro of Ferrier Hodgson MH Sdn. Bhd., have been appointed as liquidators of Medi Air. Medi Air had ceased its operations since 2001 and there are no future plans to activate Medi Air. The winding up of Medi Air is in line with the Company's efforts to streamline and rationalise its core business. The members' voluntary winding up of Medi Air will not have any material impact on the net assets and earnings per share of TDM Group for the financial year ended 31 December 2013.

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

Details of the Group's borrowings as at 31 December 2013 are as follows :

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Secured</u>			
-Term loans	1,009	77,337	78,346
-Hire purchase payables	138	19	157
	<u>1,147</u>	<u>77,356</u>	<u>78,503</u>
<u>Unsecured</u>			
- Notes	-	196,053	196,053
	<u>-</u>	<u>196,053</u>	<u>196,053</u>
Total	<u>1,147</u>	<u>273,409</u>	<u>274,556</u>

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 quarter ended 31 December 2013.

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 2012.

27. Dividend proposed

No dividend has been proposed for the current quarter under review.

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28. Earnings per share

Basic loss/ 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			
	Current Quarter Ended 31.12.2013	Preceding Corresponding Quarter Ended 31.12.2012	Current Quarter Ended 31.12.2013	Preceding Corresponding Quarter Ended 31.12.2012
Basic				
Profit for the period attributable to owners of the parent (RM'000)	25,635	36,037	45,297	102,408
Weighted average number of ordinary shares in issue ('000)	1,481,662	245,760	1,481,662	245,760
Basic earnings per ordinary share attributable to owners of the parent	1.73	14.66	3.06	41.67
	Current Quarter Ended 31.12.2013	Preceding Corresponding Quarter Ended 31.12.2012	Current Quarter Ended 31.12.2013	Preceding Corresponding Quarter Ended 31.12.2012
Diluted				
Profit for the period attributable to owners of the parent (RM'000)	-	36,037	-	102,408
Weighted average number of ordinary shares in issue ('000)	-	245,760	-	245,760
Adjustment for:				
- Share options	-	665	-	772
Weighted average number of shares - diluted	-	246,425	-	246,532
Diluted earnings per ordinary share attributable to owners of the parent	-	14.62	-	41.53

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29. Realised and unrealised profits

	As at 31-Dec-13 RM'000	As at 31-Dec-12 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	319,034	318,918
- Unrealised profits	<u>67,040</u>	<u>77,282</u>
	386,074	396,200
Add: Consolidation adjustments	<u>27,766</u>	<u>28,336</u>
Total Group retained profits as per consolidated accounts	<u><u>413,840</u></u>	<u><u>424,536</u></u>

- 30.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 February 2014.

BY ORDER OF THE BOARD

YEAP KOK LEONG
Company secretary

Kuala Lumpur
20 February 2014