



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
31 MARCH 2014**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2014**

	Cumulative Quarter Current Quarter To date 31-Mar-14 RM'000	Preceding Quarter To date 31-Mar-13 RM'000
Revenue	87,412	90,084
Cost of sales	<u>(45,333)</u>	<u>(51,929)</u>
Gross profit	42,079	38,155
Other items of income		
Interest income	4,724	1,921
Other income	969	2,661
Other items of expense		
Distribution costs	(1,209)	(1,870)
Administration expenses	(22,287)	(18,811)
Other expenses	(5,084)	(2,720)
Finance costs	<u>(30)</u>	<u>(18)</u>
Profit before tax	19,162	19,318
Income tax expenses	<u>(5,519)</u>	<u>(4,983)</u>
Profit for the period, net of tax	13,643	14,335
Other comprehensive income :		
Available for sale investments' fair value movement	(2)	(17)
Net loss of remeasurement of defined benefit liability	(30)	-
Revaluation surplus	(247)	-
Foreign currency translation	<u>(1,425)</u>	<u>(54)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>(1,704)</u>	<u>(71)</u>
Total comprehensive income for the period	<u>11,939</u>	<u>14,264</u>



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2014**

	Cumulative Quarter	
	Current	Preceding
	Quarter	Quarter
	To date	To date
	31-Mar-14	31-Mar-13
	RM'000	RM'000
Profit attributable to:		
Owner of the parent	13,870	14,196
Non-controlling interest	(227)	139
	13,643	14,335
Total comprehensive		
income attributable to:		
Owner of the parent	12,166	14,125
Non-controlling interest	(227)	139
	11,939	14,264
Earnings per share (sen):		
(a) Basic (Note 28)	0.94	1.15

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 MARCH 2014**

	Unaudited As at 31-Mar-14 RM'000	Audited As at 31-Dec-13 RM'000
Assets		
Non-current assets		
Property, plant & equipment	762,165	741,347
Biological assets	608,600	600,861
Investment property	11,000	11,000
Goodwill	9,959	9,959
Other investments	204,290	204,290
Investment securities	83	85
Deferred tax assets	2,281	9,415
	1,598,378	1,576,957
Current assets		
Inventories	32,926	36,721
Trade and other receivables	63,200	53,948
Prepayments	974	1,755
Tax recoverable	2,007	2,144
Cash and bank balances	89,908	101,224
	189,015	195,792
Total assets	1,787,393	1,772,749
Current liabilities		
Borrowings	1,006	1,147
Trade and other payables	133,106	136,383
Tax payable	13,031	8,549
	147,143	146,079
Net current assets	41,872	49,713
Non-current liabilities		
Retirement benefit obligations	3,155	3,046
Borrowings	282,856	273,410
Deferred tax liabilities	89,456	97,301
	375,467	373,757
Total liabilities	522,610	519,836
Net assets	1,264,783	1,252,913

TDM BERHAD (Company No 6265-P)
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Unaudited As at 31-Mar-14 RM'000	Audited As at 31-Dec-13 RM'000
Equity attributable to owners of the parent		
Share capital	296,332	296,332
Share premium	33,064	33,064
Retained earnings	429,409	415,638
Other reserves	499,433	501,107
	1,258,237	1,246,141
Non-controlling interests	6,545	6,772
Total equity	1,264,783	1,252,913
Total equity and liabilities	1,787,393	1,772,749
 Net assets per share (RM)	0.85	0.85

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2014**

	Attributable to owners of the parent											Non-controlling interests RM'000
	Total equity 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	Transaction with non-controlling interest RM'000	
Opening balance at 1 January 2014	1,252,913	1,246,141	296,332	33,064	415,638	501,107	516,970	(15,821)	-	(11)	(31)	6,772
Profit for the year	13,643	13,870	-	-	13,870	-	-	-	-	-	-	(227)
Other comprehensive income												
Net gain on fair value changes in available for sale investments' fair value movement	(2)	(2)	-	-	-	(2)	-	-	-	(2)	-	-
Foreign currency translation	(1,425)	(1,425)	-	-	-	(1,425)	-	(1,425)	-	-	-	-
Net surplus on revaluation of land, buildings, and plant and machinery	(247)	(247)	-	-	-	(247)	(247)	-	-	-	-	-
Net loss on remeasurement of define benefit liability	(30)	(30)	-	-	(30)	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	(1,704)	(1,704)	-	-	(30)	(1,674)	(247)	(1,425)	-	(2)	-	-
Total comprehensive income for the year	11,939	12,166	-	-	13,840	(1,674)	(247)	(1,425)	-	(2)	-	(227)
Closing balance at 31 March 2014	1,264,852	1,258,307	296,332	33,064	429,478	499,433	516,723	(17,246)	(0)	(13)	(31)	6,545
Opening balance at 1 January 2013	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	2,491,783	2,491,643	-	-	14,196	-	-	-	-	-	-	139
Other comprehensive income												
Net gain on fair value changes in available for sale investments' fair value movement	(17)	(17)	-	-	-	(17)	-	-	-	(17)	-	-
Foreign currency translation	(54)	(54)	-	-	-	(54)	-	(54)	-	-	-	-
Other comprehensive income for the year, net of tax	(71)	(71)	-	-	-	(71)	-	(54)	-	(17)	-	-
Total comprehensive income for the year	2,491,712	2,491,572	-	-	14,196	(71)	-	(54)	-	(17)	-	139
Transactions with owners												
Lapsed of ESOS	(4)	(4)	-	-	-	(4)	-	-	(4)	-	-	-
Exercise of ESOS	2,049	2,049	1,177	1,545	-	(673)	-	-	(673)	-	-	-
Total transactions with owners	2,045	2,045	1,177	1,545	-	(677)	-	-	(677)	-	-	-
Closing balance at 31 March 2013	3,753,214	3,727,884	246,944	82,453	438,732	482,308	497,150	(14,806)	-	(36)	-	25,330

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)



TDM BERHAD (Company No 6265-P)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014**

	Period Ended	
	31-Mar-14	31-Mar-13
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	19,162	19,318
Adjustments for:		
Interest expense	30	18
Depreciation of property, plant and equipment	8,356	7,254
Property, plant and equipment written off	40	108
Impairment loss on trade and other receivables	199	185
Payables written back	-	(1,783)
Gain on disposal of property, plant and equipment	(27)	(6)
Interest income	(4,724)	(1,921)
Provision for short term accumulating compensated absences	57	-
Provision for retirement benefit obligations	79	-
Share options lapsed under ESOS	-	(4)
Total adjustments	<u>4,010</u>	<u>3,851</u>
Operating cash flows before changes in working capital	<u>23,172</u>	<u>23,169</u>
<u>Changes in working capital</u>		
Decrease in inventories	3,795	1,888
(Increased)/decrease in receivables	(10,029)	13,345
Increased/(decrease) in payables	8,663	(5,486)
Total changes in working capital	<u>2,429</u>	<u>9,747</u>
Cash flows from operations	25,601	32,916
Interest paid	(30)	(18)
Interest received	4,724	1,921
Taxes paid	(2,247)	(5,819)
Retirement benefits paid	-	(16)
Net cash flows from operating activities	<u>28,048</u>	<u>28,984</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014 (CONT'D)**

	Period Ended	
	31-Mar-14	31-Mar-13
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,537)	(29,613)
Addition of plantation development expenditure	(2,799)	(9,647)
Proceeds from disposal of property plant and equipment	12	6
Net cash flows used in investing activities	<u>(32,324)</u>	<u>(39,254)</u>
Cash flows from financing activities		
Drawdown of term loan	7,253	12,911
Proceeds from issuance of ordinary shares	-	2,048
Repayments of term loans	(250)	(47)
Repayments of hire purchase facilities	(2,460)	(131)
Net cash flows from financing activities	<u>4,543</u>	<u>14,781</u>
Net increase in cash and cash equivalents	267	4,511
Cash and cash equivalents at 1 January	91,067	212,297
Effect of foreign exchange rate changes	(1,426)	(54)
Cash and cash equivalents at 31 December	<u>89,908</u>	<u>216,754</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash on hand and at banks	41,668	15,674
Deposits with licensed banks	48,240	201,080
Cash and cash equivalents	<u>89,908</u>	<u>216,754</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2013. 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 2013.

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 2013 except as follows:

Effective for annual periods beginning on or after 1 January 2014 and 1 July 2014:

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 12, and FRS 127: Investment Entities

Amendments to FRS 136: Recoverable Amount Disclosure for Non-Financial Assets

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

Annual Improvements to FRSs 2010-2012 Cycle:

Amendment to FRS 2 Share-base Payment

Amendment to FRS 3 Business Combinations

Amendment to FRS 8 Operating Segments

Amendment to FRS 13 Fair Value Measurement

Amendment to FRS 116 Property, Plant and Equipment

Amendment to FRS 124 Related Party Disclosure

Amendment to FRS 138 Intangible Assets

Annual Improvements to FRSs 2011-2013 Cycle:

Amendment to FRS 1 First-time Adoption of Financial Reporting Standards

Amendment to FRS 3 Business Combinations

Amendment to FRS 13 Fair Value Measurement

Amendment to FRS 140 Investment Property

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 2015.

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 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

3. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2013 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 March 2014.

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

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 March 2014				
Revenue				
Total revenue	65,022	34,468	-	99,490
Intersegment-revenue	(10,236)	(1,842)	-	(12,078)
External revenue	<u>54,786</u>	<u>32,626</u>	-	<u>87,412</u>
Segment result (external)	14,858	4,301	3	<u>19,162</u>
Profit before taxation				<u>19,162</u>
3 months ended				
31 March 2013				
Revenue				
Total revenue	73,364	29,559	-	102,923
Intersegment-revenue	(11,179)	(1,660)	-	(12,839)
External revenue	<u>62,185</u>	<u>27,899</u>	-	<u>90,084</u>
Segment result (external)	14,849	4,469	-	<u>19,318</u>
Profit before taxation				<u>19,318</u>

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
Total assets				
31 March 2014	<u>1,556,590</u>	<u>228,317</u>	<u>2,486</u>	<u>1,787,393</u>
31 December 2013	<u>1,545,789</u>	<u>224,474</u>	<u>2,486</u>	<u>1,772,749</u>
Total liabilities				
31 March 2014	<u>390,836</u>	<u>130,333</u>	<u>1,441</u>	<u>522,610</u>
31 December 2013	<u>388,668</u>	<u>129,728</u>	<u>1,440</u>	<u>519,836</u>

Explanatory Notes Pursuant to FRS 134

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 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 March 2014 are as follows:

	RM '000
Authorised by the Directors and contracted	83,349
Authorised by the Directors but not contracted	237,947
	<hr/>
	321,296
	<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 - Q1 2014 versus Q1 2013

	Q1 2014	Q1 2013	Variance
	RM'000	RM'000	
Revenue			
Plantation	54,786	62,185	-12%
Healthcare	32,626	27,899	17%
Total	87,412	90,084	-3%
Profit Before Tax ("PBT")			
Plantation	14,858	14,849	-
Healthcare	4,301	4,469	-4%
Total	19,159	19,318	-1%

Group revenue of RM87.4 million for the current quarter ended 31 March 2014 was 3% lower than that reported in the previous corresponding quarter. During the quarter, the Group recorded PBT of RM19.2 million, compared with RM19.3 million in the same period last year.

Plantation Division

During the quarter, the Plantation Division registered lower revenue by 12% compared to the same period last year mainly due to lower CPO and PK production by 21% and 24% respectively. However, this is partly offset with higher average sale price of CPO and PK by 17% and 63% respectively:

Average Price	Q1 2014	Q1 2013	Variance
	RM	RM	%
CPO (RM/mt)	2,654	2,265	17%
PK (RM/mt)	1,914	1,171	63%

During the quarter, we have sold 9,610.89 mt of Certified Sustainable Palm Oil (CSPO) at premium of RM99/mt and RM66/mt for segregated and mass balance respectively.

The division recorded slightly higher PBT mainly due to:

- a) Lower estate production cost by RM6.6 million; and
- b) Higher interest income by RM4.5 million

However, the quarter also saw immature area expenses (from our replanting programme) increased by RM2.3 million compared to the same period last year.

Healthcare Division

During the quarter, the Healthcare Division recorded higher revenue by 17% whilst its PBT lower by 4%, compared to the same period last year. Excluding the extraordinary item of RM1.5 million on the payable write back in previous year, the operating profit grew by 48% in Q1 2014. The division's operating profit margin expanded by 30% compared to the same quarter last year. The improved performance mainly due to:

- a) 10% growth in inpatient admissions;
- b) Higher number of inpatient days by 6% from improved hospital case-mix of patient; and
- c) The newly acquired TDMC Hospital saw its PBT jumped by 224%.

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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 - Q1 2014 versus Q4 2013

The quarter under review recorded lower PBT by 44% or RM14.9 million compared to the preceding quarter mainly due to lower production of CPO and PK by 41% and 42% respectively.

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 prevailing market prices of CPO and PK, and barring unforeseen circumstances, the Group expects the FY2014 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 March 2014.

20. Profit for the period

	Current period to date	
	31-Mar-14	31-Mar-13
	RM'000	RM'000
The following amounts have been included in arriving at profit before tax:		
Interest expense	30	18
Interest income	(4,724)	(1,921)
Depreciation of property, plant and equipment	8,356	7,254
Gain on disposal of property, plant and equipment	(27)	(6)
Impairment loss on trade and other receivables	199	185
Payables written back	-	(1,783)
	-	(1,783)

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 period To date	
	31-Mar-14 RM'000	31-Mar-13 RM'000
Current income tax	6,281	6,092
	6,281	6,092
Deferred tax	(383)	(82)
Over provision of deferred tax	(379)	(1,027)
	5,519	4,983

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

There were no corporate proposals during the quarter under review.

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

Details of the Group's borrowings as at 31 March 2014 are as follows :

	Current RM'000	Non-Current RM'000	Total RM'000
<u>Secured</u>			
- Bank loans	967	84,463	85,430
- Obligation under the finance leases	39	2,340	2,379
	1,006	86,803	87,809
<u>Unsecured</u>			
- Structured notes	-	196,053	196,053
	-	196,053	196,053
Total	1,006	282,856	283,862

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 March 2014.

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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 2013.

27. Dividend proposed

On 22 April 2014, TDM has announced a proposed a first and final dividend of 1 sen per ordinary share, tax exempt under the single-tier system in respect of the financial year ended 31 December 2013, subject to the shareholders' approval at the forthcoming 49th Annual General Meeting.

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.

	Current Quarter Ended 31.3.2014	Preceding Corresponding Quarter Ended 31.3.2013
Basic		
Profit for the period attributable to owners of the parent (RM'000)	13,870	14,196
Weighted average number of ordinary shares in issue ('000)	1,481,662	1,234,720
Basic earnings per ordinary share attributable to owners of the parent	0.94	1.15

29. Realised and unrealised profits

	As at 31-Mar-14 RM'000	As at 31-Dec-13 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	306,270	295,820
- Unrealised profits	82,402	84,437
	388,672	380,257
Less: Consolidation adjustments	40,806	35,381
Total Group retained profits as per consolidated accounts	429,478	415,638

30. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2014.

BY ORDER OF THE BOARD

YEAP KOK LEONG
Company secretary

Kuala Lumpur
29 May 2014